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October 11, 2013

Office of Chief Counsel
Pennsylvania Department of Banking and Securities
Attention: Public Comment on Regulation 3-51
17 North Second Street
Harrisburg, PA 17101-2290.

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The Pennsylvania Credit Union Association (PCUA) is a state-wide trade association that represents a majority of the nearly 500 credit unions located within the Commonwealth of Pennsylvania. PCUA appreciates this opportunity to comment on Regulation 3-51 whereby the Department of Banking and Securities (Department) proposes to add Chapter 5 to Title 10 of the Pennsylvania Code (10 PA. Code) relating to assessments.

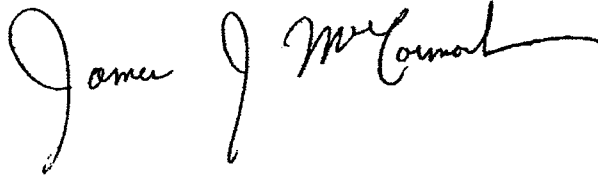
Approximately sixty (60) of Pennsylvania's credit unions are incorporated pursuant to the Credit Union Code, 17 Pa.C.S. 101 *et. seq.* PCUA and its member credit unions support a healthy dual chartering system. It provides a meaningful option to credit unions in terms of choosing a prudential regulator. Historically, the significant enhancements to the credit union charter such as share drafts or small business lending were incubated or adopted at the state level. Therefore, as a matter of sound public policy, PCUA works to ensure the viability of the dual chartering system. PCUA is also a member of the National Association of State Credit Union Supervisors (NASCUS) and we find that relationship extremely valuable. We appreciate that the Department is NASCUS accredited, an important indicator of the Department's commitment to state-chartered credit unions.

PCUA understands the Department's objective of realizing sustainable funding. The Department operates independent of the Commonwealth's general fund. That aspect of the Department's function insulates credit unions and other stakeholders from uncertainties that can arise during the budget process. The proposed assessment seeks to eliminate examination-based billing. This, too, is a desirable feature. Credit unions will be able to plan with a larger degree of accuracy the annual expense. In some cases, the examination-based billing resulted in a budget surprise for some state-chartered credit unions.

State-chartered credit unions with total assets up to \$24,503,163 will be assessed \$2,500 semi-annually. In many cases, the proposed assessment formula will result in reduced expenses for that peer group of credit unions. Larger asset-sized credit unions, however, might realize an increase over the examination-based formula. While the assessment and factors are more desirable than the current formula, we suggest that the Department examine the merits of instituting the new assessment model on a more incremental basis, affording larger asset-sized credit unions to adjust to the new formula over an additional year. Such an approach would be more consistent with the implementation schedule proposed in section 5.6.

PCUA would be happy to address any questions the Department might have regarding this comment letter at the Department's convenience.

Sincerely,

A handwritten signature in black ink, reading "James J. McCormack". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "McCormack".

James J. McCormack
President/CEO

JJM:RTW:llb

cc: PCUA Board of Directors
State Credit Union Advisory Committee
Mary Martha Fortney, NASCUS