



June 10, 2005

Proposed Rule for FDICIA Disclosures, Matter No. R411014
Federal Trade Commission/Office of the Secretary
Room H-159 (Annex A)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Secretary:

Buckeye State Credit Union has \$ 66,000,000 in total assets and serves over 19,000 members in 4 Ohio counties. Our membership base principally represents Postal and Federal workers, Community Charters in Stark and Lake County Ohio, and just over 280 Select Employee Groups.

Buckeye State Credit Union, chartered in 1933, is privately insured. This insurance is provided to us by choice through American Share Insurance. Buckeye State Credit Union makes every effort to comply with the consumer disclosure requirements of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) as we understand them. Having been privately insured since before 1994, the credit union complied with the requirements of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA). In 1994 we mailed three sequential notices to our then-current members, seeking their signed acknowledgments recognizing the credit union's lack of federal share insurance. We found this to be very costly monetarily and consuming of staff time and resources.

As a privately insured credit union, we are particularly concerned about the FTC's proposed rule regarding consumer disclosure as it affects privately insured credit unions. Over the years, other credit unions have merged into Buckeye State Credit Union, many at the request of regulatory authorities and/or deposit insurers. One of these merged credit unions was federally insured. While we attempted to secure new signature cards that included the acknowledgment of disclosure established under FDICIA following the merger, member response was not 100%. In fact, we feel fortunate to have received a 26 - 27% response. Accordingly, to refuse receipt of a merged member's deposit simply because we lack a signed acknowledgment of disclosure, even though we comply with the other FDICIA disclosure requirements, is counterproductive to the purpose of the merger and damaging to the affected member's personal financial affairs, and we believe unobtainable in this electronic age. This issue also restricts our ability to merge with other state chartered federally insured credit unions because of time and monetary restraints.

Furthermore, NCUA's regulations (Rule 708b), governing mergers of federally insured credit unions into privately insured credit unions, already provides for full and multiple disclosures to the consumer regarding his/her loss of federal share insurance if the merger is approved by NCUA, the membership and the state credit union regulatory authority. In fact, NCUA requires every member be given the chance to vote by mail or in person on such merger proposition, and that a majority of at least 20% of the membership of the merging credit union vote to approve the proposition for the merger to be approved. Even more convincing is the fact that after the merger is approved by all of these parties; the members of the federally insured credit union are also given time to withdraw their funds if they wish, and without any penalties. This seems to be more than adequate notice of the absence of federal share insurance in a merger situation.



Accordingly, we oppose Section 320.5 and request that it be amended to exclude the required signed acknowledgments from new members gained through merging with a federally insured credit union.

Respectfully Submitted,
Norma Sue Preston; Chief Executive Officer
Buckeye State Credit Union