



February 16, 2021

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street, Alexandria, VA 22314

Re: Overdraft Policy Proposal, RIN 3133-AF20

Ms. Conyers-Ausbrooks,

The Indiana Credit Union League (ICUL) appreciates the opportunity to comment on NCUA's Overdraft Policy Proposal. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.7 million consumers.

The ICUL supports the change to remove the prescriptive 45-day limit for a member to cure each overdraft and to allow a federal credit union (FCU) to replace it with a reasonable period of time as established by the FCU's policy. Even if the change is adopted, generally accepted accounting principles will require balances to be charged off when it is considered uncollectable.

Overdraft services continue to be a popular service for members with short-term monetary needs. Members agree to these services through agreements and disclosures that explain in detail how the service works (e.g., dollar limit threshold, fees, item processing order, and explanation of available funds). Also, members have many options to obtain account information and determine available balances (e.g., home banking, mobile banking and applications, telephone audio response, and periodic statements). With all this information, members continue to use the service because they value its convenience, and it is another option to fill their short-term needs.

By allowing FCUs more time than the prescriptive 45-day limit, it will allow credit unions to work with members and be more flexible in evaluating the needs of each member. The proposal also provides for more consistency with the 2005 Interagency Guidance on overdraft protection services.

We appreciate the opportunity to comment on the Overdraft Policy Proposal. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

John McKenzie
President, Indiana Credit Union League