



December 26, 2023

Melanie Conyers-Ausbrooks  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

**Re: Docket Number NCUA-2023-0082**

*Filed electronically via: <http://www.regulations.gov>*

Dear Ms. Conyers-Ausbrooks:

CrossState Credit Union Association (CrossState) appreciates this opportunity to share comments on the proposed rule to simplify the share insurance regulations by establishing a “trust accounts” category, provide consistent share insurance treatment for all mortgage servicing account balances held to satisfy principal and interest obligations to a lender, and provide more flexibility for the NCUA to consider various records in determining share insurance coverage in liquidations. CrossState is a regional trade association that advocates for nearly 500 credit unions located in the State of New Jersey and Commonwealth of Pennsylvania.

*Simplification of Share Insurance Trust Rules*

CrossState and its member credit unions appreciate NCUA’s efforts to consistently review and update the NCUA regulations to make them easier to understand and consistent with relevant guidance. CrossState supports this proposed rule to simplify the rules regarding share insurance for trust accounts as the changes will result in one category for trust accounts, eliminating the confusion between the irrevocable and revocable trust coverage. This change will provide more clarity to credit unions and to their members when it comes to how trust accounts are insured.

CrossState also supports the simpler calculation method for both kinds of trusts. The calculation will make it easier for credit unions to inform their membership of the coverage and provide consistency with how similar accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC).

The delayed implementation date of the Rule would be essential for credit unions to review their existing trust relationships and notify any members that may be negatively affected by the changes. While we appreciate that grandfathering of coverage may increase complexity in the case of liquidations, it may be the best solution to avoid adverse consequences to those members whose share insurance coverage would be reduced, such as where the member has

both irrevocable and revocable trusts. Under the current rule, the coverage would not be aggregated, and the member would have more coverage.

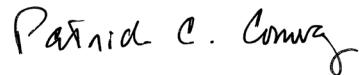
*Recordkeeping Requirements*

CrossState supports the proposed changes to the recordkeeping requirements as they would provide more clarity for credit unions.

In response to NCUA's request for comments related to the regulations the FDIC has implemented requiring IDIs with two million or more deposit accounts to configure its information technology systems to be capable of calculating the insured and uninsured amount in each deposit account, CrossState would recommend that NCUA first study the cost of these technology changes and any negative impact this would have on credit unions versus the benefits.

Thank you for the opportunity to provide comments on these important issues.

With best regards,

A handwritten signature in black ink that reads "Patrick C. Conway". The signature is written in a cursive style with a large, stylized 'P' and 'C'.

Patrick C. Conway  
President & CEO

cc: CrossState Board  
CrossState Government Relations Committee  
CrossState Regulatory Review Committee