

# State Employees' Credit Union®

Administrative Offices

January 31, 2007

Mr. Van D. Fishback  
President and CEO  
First Bank and Trust  
PO Box 5057  
Brookings, SD 57006

REF: FDIC Comments on Proposed Guidelines for Affordable Small Dollar Lending

Dear Mr. Fishback:

I received a copy of your letter of January 16, 2007 to Robert E. Feldman of the FDIC in reference to "Affordable Small Dollar Lending".

Our Credit Union has some very specific views concerning the Talent-Nelson Amendment, the "36% APR ceiling", and affordable small dollar lending in general. We recognize that there are a wide range of responsible, differing views on these issues. Surfacing and discussing these differences in opinion, during a comment period, is a highly beneficial process, usually resulting in better "rulemaking".

My purpose in writing to you is not to contest your views, but to point out what appears to be a gross misstatement in your letter concerning State Employees' Credit Union. The misstatement occurs in the top paragraph on page 4 of your letter, as follows:

"Even the North Carolina State Employees' Credit Union ("NCSECU"), a panelist at the FDIC's recent seminar and a fixture in media articles and community group studies on small dollar lending, enjoys payday loan-like returns generated on their overdraft protection product by customers more deserving of only double-digit APRs. NCSECU share draft statements from our customers who also have accounts with NCSECU show repeated usage of overdraft privilege each month without limitation."

As we understand your statement (SECU... "Enjoys payday loan-like returns generated on their overdraft protection product..." and "...share draft statements from our customers who also have accounts with NCSECU show repeated usage of overdraft privilege each month..."), the inference is that SECU has both an "overdraft protection product" and an "overdraft privilege" product. **We would like to assure you that our Credit Union offers neither an "overdraft protection product" (with payday loan-**

1000 Wade Avenue Post Office Box 27665 Raleigh, NC 27611-7665 919 839-5000 Fax 919 839-5353

[www.ncsecu.org](http://www.ncsecu.org)

"Equal Employment/Affirmative Action Employer, M/F"



Mr. Van D. Fishback  
January 31, 2007  
Page 2

**like returns!!) nor any type of “overdraft privilege” product.** As you most correctly infer that would be quite contradictory and hypocritical. Our Credit Union may be wrong in our views, but we are most certainly, famously consistent!!

If perhaps part of my presentation on the FDIC panel caused these misstatements, I would welcome the opportunity to address and correct those misconceptions. Factual accuracy always better informs a debate!

**Do believe that in the interest of fairness and accuracy it is imperative that one of us should appropriately correct the record.**

Would welcome any information you could make available to explain your statements about SECU. We look forward to receiving it with great interest.

Sincerely,



James C. Blaine  
President

JCB/ji

cc: **Robert E. Feldman**  
Executive Secretary  
FDIC  
550 17<sup>th</sup> St NW  
Washington, DC 20429-9990

The Honorable Sheila C. Bair  
Chair  
FDIC  
550 17<sup>th</sup> St NW  
Washington, DC 20429-9990