



Information Technology Center ■ 24 McKinley Avenue ■ Endicott, NY 13760-5491 ■ (607) 754-7000 ■ FAX (607) 754-9772
Credit Union Center (607) 786-2000 ■ FAX (607) 786-5718

June 28, 2004

Jennifer Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Ave, NW
Washington, DC 20551

RE: Comment on Proposal for Study on Professional Solicitations or Firm Offers of Credit or Insurance

Dear Ms. Johnson:

I would like to take this opportunity to comment on the above referenced proposal concerning alternative forms of privacy notices.

Our credit union uses prescreened solicitations to market products and services to our members a few times a year for credit card or car loan solicitations. We believe the current statutory mechanism gives members sufficient controls over the amounts and types of prescreened solicitations they receive.

There are many benefits to our members for receiving prescreened solicitations. Most members are grateful to receive these solicitations from their credit union where they have a relationship, than from a financial institution across the country with which they have no business relationship. If they do not want to receive these mailings from us, we add them to our "do not solicit" list and abide by their wishes. Our members know that when they call us they will not receive further mailings; this comfort level is not there with someone they have no history with.

Currently less than 1% of our membership notifies us voluntarily by telephone or letter not to receive prescreened solicitations. We are not aware of any significant adverse effects such as identity theft that our members have encountered from our mailings and believe our membership benefits from these solicitations.

We do not believe any additional restrictions should be imposed on credit bureaus, lenders, or insurers to restrict the ability of lenders and insurers to provide prescreened solicitations. If further restrictions were placed, the following possible impacts could occur.

1. Increased amount consumers pay to obtain credit or insurance.

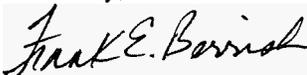
We feel our solicitations provide our members with a choice to receive "lower cost" credit than other financial institutions can provide to them. Without the capability to prescreen and thus pre-qualify our members for available credit, our new business would be strongly affected and this business would very likely go elsewhere. We provide our members with the opportunity to

ask us not to further solicit them for these types of mailings, and their accounts are be coded accordingly. Most members are more apt to be happy receiving a requalification from their credit union that they have a relationship with than a non-related institution where they do not.

2. Reduce availability of credit or insurance.
Most members are not aware of maximum credit limits offered by their credit union. A pre-qualified mailer allows us to remind them they have additional credit available and how convenient it is to get that credit through their credit union by sending them a pre-qualified solicitation. It is our intent to provide our members with the lowest cost credit available so that they do not pay higher costs elsewhere to obtain the same credit.
3. Reduce consumers knowledge about alternative or new products and services.
As new products are added to our available product line (i.e., Platinum Credit Card), it is our job to let individuals know that they qualify to receive this great "low rate, low fee" card. It gives them an opportunity to lower their cost by switching balances from a higher rate card or by just refinancing higher rate credit to a lower rate product. It is our intent to remind our members of the products that are available that can make their life and budgets easier for them and their families.
4. Decrease the ability to lenders or insurers to compete with one another.
The relationship a member has with their credit union is strong, and it is our responsibility to be loyal to our members. If we were limited from sending prescreen mailings, we would have an extremely tough time competing with other financial institutions to provide our members with the lowest cost credit available to them. This could ultimately reduce the benefits we can offer to members and significantly challenge many credit unions on reaching new business goals.
5. Decrease the ability of lenders or insurers to offer credit or insurance products to consumers who have been traditionally underserved.
Most prescreened solicitations from financial institutions are looking at the high income / high deposit or loan balance consumers. A credit union like ours is looking to remind underserved members that there is "secured" credit available to them. We solicit our low "D" tier members for secured loans to remind them that credit is available and that it is available at a low cost to them and their budgets.

We appreciate the opportunity to comment and request your consideration of these comments.

Sincerely,



Frank E. Berrish
President / CEO