



NC BANKERS

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August 6, 2007

Mr. Scott Jarvis
Director
Washington State Department of Financial Institutions
Via e-mail: confsec@dfi.wa.gov

Dear Mr. Jarvis:

Word has reached the east coast of your proposed rule that would establish an alternative share insurance program for credit unions. If you chose to do that, you can rest assured that a disaster will occur. It is inevitable.

We suffered through a private insurance of accounts program here, in North Carolina, in the 1970s and 80s before similar programs imploded in Maryland and Ohio. The thrifts and credit unions that were insured by the private program called it "state insurance" when it was not, engaged in certain activities that the FDIC and FSLIC would not allow and jeopardized shareholder equity and security that eventually brought disfavor to the entire system.

Only the U.S. Treasury can print money. Federal insurance of accounts is imperative to the stability of our financial system. Private insurance does not work! I hope that you will not be taken in by false promises and their grossly inferior proposal from which the consumer can and ultimately will face disastrous consequences.

Sincerely,

Thad Woodard

TW/gds

cc: Joe Smith, NC Commissioner of Banks