



## CREDIT UNION DEPARTMENT

Harold E. Feeney  
Commissioner

Robert W. Etheridge  
Deputy Commissioner

August 28, 2017

Sent electronically to: [boardcomments@ncua.gov](mailto:boardcomments@ncua.gov)

Gerard Poliquin, Secretary to the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314

Dear Mr. Poliquin:

The Credit Union Department, State of Texas, (Department) appreciates the opportunity to comment on National Credit Union Administration's (NCUA) proposed changes to the Overhead Transfer Rate (OTR) methodology. The Department regulates, and supervises 182 federally insured credit unions (FICUs) and five privately insured credit unions with \$39.6 billion in assets. As a collaborator with NCUA in the combined system of Federal and State supervision of FICUs, the Department believes the proposed revisions to the OTR methodology represent a step in the right direction of restoring an equitable balance to the cost allocation of the National Credit Union Share Insurance Fund (NCUSIF).

The Department is also a member of the National Association of State Credit Union Supervisors (NASCUS). NASCUS is the professional association of state officials who charter, examine, regulate, and supervise the approximate 2,150 federally-insured state chartered credit unions and will file an extensive comment letter regarding this proposal on behalf of the state regulatory system. The Department submits this letter in support of NASCUS' comments.

As the prudential regulator of Texas state chartered credit unions, the Department has the responsibility to ensure that an entity holding itself out to the citizens of Texas as a duly authorized credit union is operating in a safe and sound manner. To fulfill its responsibility, the Department budgeted 25,640 examination hours in fiscal year 2017. NCUA, as the prudential regulator for federal credit unions has a similar safety and soundness obligation as the chartering authority. We believe the proposed OTR methodology recognizes that responsibility appropriately.

Thank you for considering our view on this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Harold E. Feeney".

Harold E. Feeney  
Commissioner

HEF/iv