

Bob Siravo

President/Chief Executive Officer

September 29, 2008

VIA E-MAIL: regcomments@ncua.gov

Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Comments on Notice of Proposed Rulemaking for Parts 702 and 704

Dear Ms. Rupp:

Western Corporate Federal Credit Union (WesCorp) appreciates the opportunity to comment on *Proposed Rule revising Parts 702 and 704—Amended Definition of post-Merger Net Worth*. WesCorp is a corporate credit union and has a national field of membership serving 1,065 credit unions in 44 states, offering balance sheet solutions and payment systems services. As background to address this Notice of Proposed Rulemaking (ANPR), we offer the following information. WesCorp has engaged in three mergers during its 39 year existence: Nevada Corporate, Idaho Corporate and Pacific Corporate. As NCUA is aware, WesCorp was selected as the merger partner in last year's disapproved merger with VolCorp; and we are currently the selected merger partner for SunCorp. As such, we have a vested interest in this Proposed Rule. Further, corporate credit unions mirror what is occurring in the natural-person credit union environment. The number of credit unions has been declining for several years now due to consolidation and we believe that will continue to occur, just as we believe it will continue to occur with corporate credit unions.

While we were not pleased to see FASB proceed with eliminating the pooling of interest method of merger accounting, we support NCUA's solution which effectively addresses the fundamental issue of counting the merged credit union's retained earnings into the retained earnings of the new combined entity.

WesCorp respectfully requests clarification in two areas. The first pertains to the definition of "capital" contained in the Proposed Rule. WesCorp requests the NCUA elaborate on what is meant by the retained earnings of "an integrated set of activities and assets, at the point of

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acquisition.” While we recognize this verbiage is contained in the statute, WesCorp requests an elaboration on how that translates to credit union activities.

The second item is to respectfully request clarification regarding the exclusion of identifiable intangibles from the definition of a corporate credit union’s MDANA. Would this exclusion also apply to identifiable intangibles created prior to 2009 or would it be necessary to segregate identifiable intangibles created before and after the effective date of this proposed rule? Also, it is not clear to us how this rule might apply to multiple layers of mergers where credit unions who merged under this proposed rule enter into additional mergers at a later date, either as the surviving entity or the merged entity, as all intangible assets created under the acquisition method would be valued anew in a subsequent merger.

We support this regulatory change for corporate credit unions and natural-person credit unions, and appreciate NCUA’s action to remedy this unintended consequence of FASB’s ruling. Again, WesCorp appreciates the opportunity to comment on the Proposed Rule Revising Parts 702 and 704.

Regards,



Bob Siravo
President/CEO