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BlueChip FCU

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NCUA

Washington, DC

To Whom It May Concern:

This letter is a response to the NCUA Stabilization Act for the Corporate Credit Unions. After much discussion among the Board of Directors and management, we have agreed on the following opinion.

Many years ago, when I first became CEO, I was encouraged by one of my local brokers to purchase a Collateralized Mortgage – the rate of interest (return) was higher than other securities, the risk was low (in the opinion of my broker). When the NCUA examiner performed his exam for that year, he expressed great concern about this purchase. When our Supervisory Committee audit was performed, our auditors expressed great concern about this purchase. I was advised not to invest the credit union members' money in such a risky investment. By the way, this particular CMO was called within 3 years of its purchase, and the return for the credit union was good. But never bought another one – because I had representatives from 2 different agencies tell me to be extremely careful and conservative!

We find ourselves asking – Where were the examiners and auditors when Central Corporate FCU and other corporate credit unions decided to engage in purchasing a large percentage of its investments in CMOs? What were the Board of Directors and management team thinking as they bought these investments? Why did NCUA not discourage and/or stop these types of investments? After all, that's what you're there for. We know, because it happened to us.

Now we find that natural person credit unions are being required (not asked) to bail these corporate credit unions out by the very agency that "slapped our hands" for investing in just one of these riskier securities. We are finding it difficult to understand the reason natural person credit unions are being told that we must give up some of what we've worked extremely hard to achieve, simply because an institution was not following the correct guidelines, and that those governing agencies were not doing their jobs of watching out for our money invested in corporate credit unions.

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It is our opinion that we need to help those troubled corporate credit unions, and we would have no problem **investing** in them. ***It is very unfair to place the burden on natural person credit unions in the form of a reduction of our ROA and Net Worth - especially when we will not see any type of return on our money!*** It is our belief that credit unions can be asked to invest some money in those troubled corporate credit unions. **The money invested should be returned to the natural person credit unions within a reasonable period of time, with interest.** We don't care if the interest rate is as low as 1%. After all, we want to help; that's what credit unions do. We firmly believe help should not come in the form of a handout! From what we've read, the securities in question can rebound if allowed to stay on the books long enough. The corporate credit unions need liquidity; I believe every credit union would be willing to invest some money.

Also, we do not ~~believe now is the time for NCUA to set stricter rules~~ and regulations on all corporate credit unions. If a credit union (natural person or corporate) is operating within the guidelines that promote safety and soundness, it should be allowed to continue doing so. **Just do your job and regulate those credit unions that fall outside those standard rules for safety and soundness.** Should you make the decision to change the rules for all corporate credit unions, you are simply doing what the US Congress does on almost a daily basis – make the good guys pay for what the bad guys did wrong!

Thank you very much.

Respectfully,

Mary Lynn Tylenda

Mary Lynn Tylenda, CEO

Bradley D Seltzer, Board Chairman

Bradley D Seltzer