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From: Thomas Furrey [tfurrey@westerncu.com]
Sent: Friday, April 03, 2009 6:53 PM
To: _Regulatory Comments
Cc: Paul L. Mercer; lbutke@corporateone.coop
Subject: "Tom Furrey - Comments on Advanced Notice of Proposed Rulemaking for Part 704"

To Whom It May Concern:

Thank you for the opportunity to comment at a time when NCUA is evaluating and reconsidering the role corporate credit unions play in the credit union system. Having the privilege to be a part of the credit union system for the past 35 years, I have seen the landscape as it relates to corporate credit unions change a great deal over that time frame. In fact, in Ohio, I saw first hand the splitting of Ohio Central Credit Union (our corporate credit union at the time) into two separate credit unions, one for the natural person side (Ohio Central) and one for the credit union side, Corporate One FCU. Ironically enough, Ohio Central was the first natural person CU in Ohio that converted to a thrift charter.

Western, Ohio's credit unions and America's credit unions need a strong, viable and progressive corporate credit union system if we are going to maximize our abilities and opportunities to thrive, bring greater efficiencies and economies to our back office and to confidently invest in safe liquid and time deposits with a peace of mind unobtainable outside the corporate credit union community.

Our corporate credit union has been a tremendous partner in our efforts to serve our members and to provide Western with the tools it needs to improve that service, utilize and benefit from technology and abilities otherwise outside the scope and ability of our credit union. Abilities such as a non-surcharge ATM network, Check 21, ACH activities, just to name a few. Sure, we may have been able to purchase some of these services through a bank, but the cost would have been, most likely, significantly higher, because of the profit motivation.

In short, our corporate credit union, and to that extent I will include the corporate network in this statement, has played a huge role in our success and advancing our abilities to run a better credit union for our members and to do more, be it investing, settlement, learning and borrowing in a credit union-driven and focused environment.

To say that corporate credit unions have had a positive impact on credit union members is an understatement. For example, our members have been able to view their cleared share drafts for over a decade now. Western, in fact, was one of the first credit unions in Ohio to offer that service free to its members. All thanks largely in part to our Corporate One FCU.

America's natural person credit unions need a strong corporate credit union system. I would caution the regulator against trying to fix something that isn't broke when it appears that it is. All credit unions are feeling the impact of today's financial and economic challenges but that does not mean that all credit unions made unwise or unsound decisions. Similarly, corporate credit unions were not unwise or ill-advised to purchase mortgage back securities when they did. We all recognize that those investment vehicles were some of the safest on the planet at the time. It will take time for these to heal, to the large extent that they will give the fact that not all home owners have or will default on their mortgage. What am I saying? If there has been carelessness or unwarranted recklessness, deal with that. Don't rework an entire system that is so critical to us natural person credit unions. Something of this significant and magnitude requires careful and patient thought along with a continued involvement and representation at the table by those who count on the corporate credit union system the most and will feel the impact the greatest...natural person credit unions and consisting of both state and federal charters.

As I look back over the past couple of decades, many corporates have gotten bigger, many have expanded their territories and others have disappeared. In my opinion, that reflects the free enterprise spirit and very much what has happened to natural person credit unions. And maybe that is also a reflection of just how closely aligned corporate credit unions are to natural person credit unions. Should there be 20 something corporates? Yes, especially if there were only six and those six could not or would not be willing to invest themselves back into the regions where the natural person credit unions are. For example, being a member of WesCorp never entered our discussion at Western. Why, because the corporate credit union closer to us was seen as a true partner for services, education, support and business solutions that a credit union 2,000 miles away would not have been able to provide or maybe even interested in providing. The loser...local natural person credit unions. Now, does that mean we need to have 20-something marginally performing

corporates, however? No, not at all. What ever the landscape winds up being, the only true test of success is “Are the corporates meeting the needs of its members, natural person credit unions?”

In summary, I urge transparency in all that NCUA does with our corporate credit union system. I urge you to be thoughtful in any actions that are considered and carefully schooled and aware as to first how any changes to the corporate credit union system will impact the credit unions that count on a strong and progressive corporate system rather than the impact on NCUA or the insurance fund.

Thank you for the opportunity to comment on this vitally important matter.

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