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MISSOURI CREDIT UNION ASSOCIATION

August 21, 2009

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

Dear Ms Rupp,

On behalf of the Missouri Credit Union Association and the 148 credit unions in Missouri thank you for allowing us the opportunity to comment on the proposed interagency guidance (Guidance) on funding and liquidity risk management. As an initial comment it appears that the Guidance matches closely with the current NCUA Regulation Part 704.9 requirements for Corporate Credit Unions. From this point of view we concur with the Guidance requirements for larger more complex credit unions, but encourage the requirements be tailored to an institution's size and complexity as is noted throughout the Guidance.

The recent market turmoil and lack of confidence in the financial markets require that action be taken to ensure appropriate liquidity levels are maintained in the financial institutions in which Americans place their trust. The Guidance requirements regarding strategies, policies and procedures and risk tolerances should incorporate and underscore the need be to have a more comprehensive management process for identifying, measuring, monitoring and controlling liquidity risk to instill confidence once again in the financial markets. Likewise, the requirement to stress test strategies to ensure they meet liquidity requirements and maintain intraday liquidity positions are appropriate along with those that address funding diversification and the development of a Contingency Funding Plan. All are good methods to ensure liquidity remains available to meet the financial needs of credit unions.

Smaller credit unions need affordable back-up funding programs. One of the primary reasons for the original formation of the Corporate Credit Union Network was to provide credit unions a source of liquidity because at that time they could not access federal liquidity sources and were paying community banks exorbitant fees for lines-of-credit and other sources of liquidity. It is extremely important that any increased regulatory requirements are not excessive and do not impose undue burden on smaller and less complex credit unions that follow simple ALM matching policies. An overly burdensome regulation that restricts the ability for smaller and less complex credit unions to be operationally viable would harm the industry as a whole.

In conclusion, the Guidance offers many safeguards that will help ensure proper liquidity levels in the event financial markets experience additional turmoil and stress. As long as the requirements are tailored appropriately to the size and complexity of the credit union, we support expanding these requirements to natural person credit unions.

Respectfully submitted,

Roshara J. Holub

Roshara J. Holub
President/CEO

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