



September 4, 2009

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

RE: Proposed Guidance on Funding and Liquidity Risk Management

Dear Ms. Rupp:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the interests of our nation's federal credit unions (FCUs), I am responding to the request for comments by the National Credit Union Administration (NCUA), the Office of Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), and Office of Thrift Supervision (OTS) (collectively, the agencies), regarding the proposed guidance on funding and liquidity risk management (proposed guidance).

NAFCU commends the NCUA and the agencies for issuing the proposed guidance. We have, in the past, urged NCUA to provide as much guidance as possible both on all issues related to regulatory oversight and operation of credit unions in a sound and safe manner. Guidance on how institutions should manage funding and liquidity risk can certainly be helpful not only to institutions with currently sub-par risk management programs, but also for some who already have an adequate or even strong program but could find aspects of the proposed guidance helpful in reviewing and improving their programs.

Nonetheless, it is our opinion that guidance on risk management and regulatory issues can be most helpful if it is not "one-size-fits-all." Unfortunately, the proposed guidance fails to adequately address how the key factors of size and complexity of operations should be considered in an institution's formulation of its funding and liquidity risk management. Many credit unions do not have complex operations; thus, a number of the actions promoted by the funding and risk management guidance would not apply to them and could lead to unnecessary expenditure of resources on initiatives that would not justify their cost. As a result, we strongly encourage the NCUA and the agencies to revise the proposed guidance and where appropriate,

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indicate that the institution should take into full account its size and complexity of its operations, and independently determine whether to engage in the specific action.

NAFCU appreciates this opportunity to share its comments on the proposed guidance. Should you have any questions or require additional information please call me at (703) 842-2268 or (800) 336-4644 ext. 268.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tessema Tefferi".

Tessema Tefferi  
Associate Director of Regulatory Affairs