



February 22, 2010

Board of Directors  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Dear Board Members,

We appreciate the opportunity to comment on the proposed revisions of Part 704, the regulation governing the operation of Corporate Credit Unions. Our comments in this letter will reflect the experience we have had with our Corporate Credit Union and the important role our Corporate plays in the existence of our Credit Union.

Our Credit Union is small with approximate assets of \$18,000,000.00. We provide full service operations at four locations, employing 10 team members. We maintain a "lean" budgetary approach, resulting in a positive impact to our bottom line. We each take that accountability very seriously. Our management is active at both state and national levels. We consider various entities as "business partners" to aide us in a variety of operational tasks. One of our most important "business partners" is the Missouri Corporate Credit Union. With the proposed revisions to 704 our Corporate (if in existence) would no longer provide the following services that are essential to our operation:

- Automatic Settlement for our Share Drafts and ACH's
- Corporate Checking
- Cash Services (cash delivery)
- Wire Transfers and Western Union
- International Services
- Overnight Account (investments)
- Term CD's and Simpli CD's
- Line of Credit loan & Term Loans

If these services are no longer available through Corporate, we will have to seek the necessary services through other vendors resulting in increased expenses and a significant impact on our staff efficiency and time in order to keep our business in tact. Some of these increased responsibilities will be:

- Researching Investment Firms – Performance on these companies, capital, solvency etc.
- Begin mark to market on all investments
- Manage our overnight account on a daily basis
- Cash concentration for investments and cash delivery

These issues are quite important to a small Credit Union where most of the Management Staff already carry multiple responsibilities every day. They will now be expected to add tasks of critical cash concentration to an already “stretched” role.

This Credit Union becomes quite concerned when it has been stated by members of the NCUA Board that “28 Corporates are more than we need”. We are also confused by this statement. As we understand it, the number of Corporates did not create today’s issues. Large Corporate operations taking inordinately high risks without appropriate monitoring by regulators hold primary accountability for the end result.

We are also concerned with the proposed time frame, believing that it is too short for Corporates to re-capitalize and recapture retained earnings. Consideration of this point will further support a platform of survival.

If limited service offerings are what the profile of a Corporates becomes, we will be forced to review our provision of services in an effort to mitigate the increase in expense and loss of efficiency. Should it become necessary to limit services, we will significantly diminish our competitiveness, and could face dissolution ourselves. We are in business to survive, hoping that outside forces out of our control will not impede our longevity.

We sincerely hope as the Board of Directors of NCUA that you understand that small Credit Unions in this country will be at significant risk should this proposal pass. 74% of existing Credit Unions are considered to be “small”, being defined as less than \$50 million in assets. We are hopeful that all involved will give some consideration to how the Credit Union Movement would ultimately be impacted—mission, uniqueness, service, and future.

Please consider this a serious concern for this Credit Union and for all of the small Credit Union across the Country.

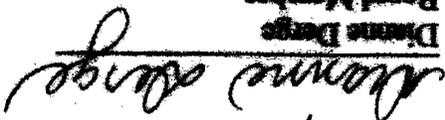
  
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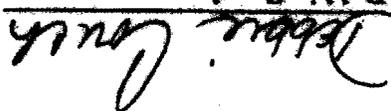
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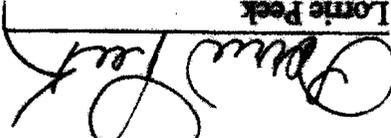
  
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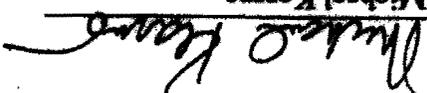
  
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