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February 23, 2010

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

Dear Ms. Rupp:

Re: Response to Proposed Rule for Corporate Credit Unions (12 CFR Part 704)

The NCUA has proposed significant changes to the regulation of corporate credit unions (Corporates). As an owner and user of services from Central Corporate Credit Union (CenCorp), we will ultimately be impacted by any change in Corporate regulation.

CenCorp is our credit union's primary source for meeting our liquidity needs. CenCorp has historically provided a convenient/competitive alternative for investing funds not currently needed to meet loan demand or a source of short-term liquidity when we needed funds. CenCorp also provides us with various correspondent services that are integrated with our internal operations and data processing systems.

We have chosen to use CenCorp because of the value that is delivered. This value includes qualitative aspects, such as products customized for a credit union environment and responsiveness to questions, and quantitative aspects, such as better returns on deposits and lower pricing on correspondent services. For our credit union, we estimate that our annual benefit from using CenCorp vs. other providers at approximately \$10,000. We are an \$18,000,000 Credit Union. Last year our net income after adjusting for NCUSIF and CenCorp was \$6,600. The majority of our settlements take place through CenCorp. This includes ACH, Wire Transfers, Overnight Deposit Account, Term Certificates, the SimpliCD program, Security Safekeeping, and Currency and Coin orders from the Federal Reserve.

It is our understanding that the asset/liability management section of the proposed rule is restrictive to the point that the earnings capability of CenCorp will be greatly diminished. CenCorp would need to reduce the return to members in order to meet the earnings retention requirements mandated in the proposed rule. This would make it difficult for us to continue to provide service to our members. They would also be forced to raise fees on many of the services

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we currently use which we, in turn, would have to pass on to our members. Further, changes to Corporate regulations need to be considered along with the future funding needs for US Central assets in order to minimize losses to the credit union system in the future.

There have been significant economic events in recent years that are prompting the need to change Corporate practices and regulation. The proposed rule needs to include both changes to existing regulation as well as a plan that allows for a smooth transition from the current environment. We believe that the proposed rule as written will be unnecessarily disruptive to our operations. This, in turn, will impact our ability to serve credit union members. We urge the NCUA Board to modify the proposed rule to avoid any unintended consequences. Specific suggested changes are presented in CenCorp's comment letter to the proposed rule.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Stanton".

Peggy Stanton
General Manager
Thunder Bay Area Credit Union