

From: [RKodan](#)
To: [Regulatory Comments](#)
Subject: Comments on proposed regulatory changes
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Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

February 24, 2010

Comments on Proposed Regulatory Changes to Corporate Credit Unions

Dear Ms. Rupp,

I am writing to share my thoughts on the proposed regulatory changes to the corporate credit union system.

There are several areas of the proposed regulation which I feel need to be modified, as well as some areas which need to be addressed, but are not considered in the currently published documents.

The first and most important area, in my opinion, is the lack of any plan to deal with the legacy assets of the corporates. I know I will not be able to convince my board to contribute additional capital to any corporate credit union, without their legacy assets moved off their balance sheets. I don't pretend to know how to do this, and I realize the ultimate responsibility for these assets would fall to the NCUSIF and therefore, natural person credit unions (NPCU). I believe most NPCU's will not contribute more capital voluntarily under the currently proposed regulation, but would wait for the chips to fall where they may.

I feel term limits on corporate (as well as NPCU) boards are not necessarily going to solve any problems, and may, in fact, create more. It is tough enough to find capable, willing volunteers. It will be even more challenging going forward in light of the turmoil created by this recession. I could envision a day where there are no candidates for any board seats. The proposed regulation should address this, and other scenarios, in its term limit proposal. I feel your examiners should be charged with evaluating the actions and competencies of all boards, and take appropriate action where necessary.

I feel the any mandatory capital requirements imposed on NPCU's should have no maximum limit. I know of some corporates who have had a maximum limit. I feel this puts a disproportionate amount of risk on smaller credit unions.

Sincerely,

Robert Kodan

Chief Executive Officer

Jersey Trades Federal Credit Union

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