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March 1, 2010

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

Subject: Comments on Part 704 Corporate Credit unions

Dear Ms. Rupp:

As Treasurer of Sierra Point Credit Union, my Board has charged me with addressing the proposed NCUA regulations for corporate credit unions. We are a \$30 Million credit union located in California with less than 4,000 members.

I believe there are some major limitations in the proposed rule that cause our Board a number of concerns. If not amended, the proposed rule will force our credit union into the undesirable position of seeking alternative, possibly more costly, providers instead of corporate credit unions like WesCorp that we own.

There are limited resources for small to mid-size credit unions. Banking entities tout themselves as providers of payment systems and, while some are, the majority of banks would prefer to do business with large credit unions that generate substantial profits. Unless the NCUA ensures that the corporate system and WesCorp will continue to provide these services, small and mid-size credit unions may eventually become extinct.

The Board of Sierra Point Credit Union has discussed the proposed regulations at several board meetings. While we are no experts in this area, we do see the need for the NCUA to formulate regulations in partnership with the corporate system and natural person credit unions. In reading the regulations, it seems to us that the regulations will diminish the corporate system and force many small and mid-size credit unions to disappear through mergers or worse dissolution.

Specifically, the proposed regulations as written will reduce corporate credit union liquidity; stifle the ability of corporates to build retained earnings; reduce their ability to offer value added services to natural person credit unions; hinder their ability to raise capital; and reduce their capacity to manage risk. These are issues that seriously hurt the corporate system and will trickle down to the natural person credit union.

The NCUA has not addressed capital written off by credit unions in the proposed regulations. However, the proposed regulations expect credit unions to capitalize the corporate system. Without addressing the risk associated with recapitalization, no credit union board would allow its CEO to deposit funds in the corporate system for recapitalization. For that matter, we believe the NCUA would find that too risk adverse for its individual credit unions. Again, this is a no win situation for all credit unions, corporates and for the memberships of both types of credit unions.

There are more issues of concern that the CEO of our credit union feels needs to be addressed by the NCUA Board. We will leave those discussions to her and our Board Chair.

In closing, we feel the NCUA's proposed regulations will severely limit the scope of the corporate credit union system and may actually cause its demise.

Sincerely,



Barbara Corrigan,
Treasurer of the Board
Sierra Point Credit Union