

March 1, 2010

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

RE: Proposed regulation 12 C.F.R. Part 704

Dear Ms. Rupp:

Please accept my brief comments regarding proposed Regulation 12 C.F.R. Part 704.

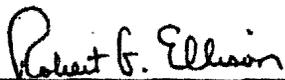
There are several items in the proposed regulation that I feel are potentially detrimental to both corporate credit unions and their member credit unions. At the top of the list are the issues of legacy assets and capitalization of corporates.

It is unlikely that corporate credit unions can meet proposed capital requirements with adjustments to interest income while they have OTTI on their books. Also, members are very unlikely to recapitalize a corporate when they are exposed to potential future loss on legacy assets.

Many credit unions, including Staley Credit Union, are privately insured. Staley Credit Union was forced to write off \$425,000.00 in paid-in-capital and \$413,453.40 in membership shares making a total write off of \$838,453.40. We anticipate that we will be forced to write off the remainder of our paid-in-capital of \$175,347.00. We heard rumors that NCUA may assume legacy assets of troubled corporates. If NCUA does assume legacy assets and there are future recoveries that might be paid to NCUA's credit unions that were forced to write off paid-in-capital and membership shares, remember that there are privately insured credit unions who have suffered substantial loss and who also should be entitled to future legacy asset recoveries.

Regulation is a delicate balance between too much and too little. Regulation of corporates should have the mission to ensure their financial integrity. Corporates should be allowed to responsibly manage risk with appropriate review, regulations and oversight with thought of providing excellent service to its members.

Sincerely,



Robert G. Ellison
Vice Chairman
Staley Credit Union
3330 N. Woodford Street
Decatur, IL 62526

Cc: Karen Brown - CEO, Staley Credit Union

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