

From: [Lynn Athens](#)
To: [Regulatory Comments](#)
Cc: league@ccul.org; chrisc@ccul.org; ritaf@ccul.org; lynn@spectrumfcu.org
Subject: Comments on Part 704 Corporate Credit Unions
Date: Tuesday, March 02, 2010 8:10:02 PM

Date: 03/02/2010

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

Subject: Comments on Part 704 Corporate Credit Unions

Dear Ms. Rupp:

On behalf of Spectrum FCU, I appreciate the opportunity to comment on NCUA's proposed amendments to Part 704, which would make major revisions regarding corporate credit union capital, investments, asset-liability management, governance, and credit union service organization (CUSO) activities.

Dear Ms. Rupp,

I am writing on behalf of the management and Board of Spectrum FCU to discuss our concerns regarding the proposed amendments to Part 704.

Spectrum belongs to three different corporate credit unions. One we only rely on for cash for ATMs in a state we do not have a branch location. Another we use for their ALM services. Our primary corporate credit union is Wescorp. We strongly believe in the necessity of corporate credit unions!

As a mid size credit union, we rely on Wescorp for clearing our payments for ATM/Debit, checks and VISA transactions. We also have a line of credit for liquidity. We use the daily account for our liquid funds and also invest in certificates. While we may be able to find other sources for payments systems, we do not want to have to use any banks and prefer staying within the credit union system. We believe the pricing advantage would be lost with other alternatives. With the guarantee of our funds by NCUSIF, we do not have any other investment choices outside of Wescorp that are as secure except for small \$250K deposits in various banks which takes resources to manage that we do not have.

The issues we are concerned about in the proposed amendments to Part 704 include the Legacy Assets and the fact that we do not want to recapitalize the corporate if any of our capital would be at risk from those assets.

We are also concerned with the one year time period for attaining capital and the use of student loans in the retained earnings assumptions.

We believe that corporates, and natural person credit unions too, should have a risk based net worth system.

We have reviewed the letter sent to you from the California Credit Union League and

support all of their recommendations, with specific emphasis on the suggestion that there are so many changes that need to be made to this rule that another 90 day comment period should begin after you have incorporated all you have heard into another proposed amendment.

Thank you for allowing us to voice our concerns and support.

Sincerely,

Lynn Athens
President/CEO
Spectrum FCU

Thank your for your consideration to this critical matter.

Sincerely,

Lynn Athens