



March 2, 2010

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

Re: Cal Poly Federal Credit Union Comments on Part 704 Corporate Credit Unions

Dear Ms. Rupp:

This comment letter to the NCUA Board represents the position of the Cal Poly Federal Credit Union on the proposed corporate credit union regulations. We are an \$11 million low income credit union (LICU) with 2,800 members (mostly students) at Cal State Polytechnic University in Pomona, CA. We appreciate the opportunity to express our opinions on the proposed corporate regulations.

First off let us say, we use our corporate (WesCorp) for just about everything. We process check deposits; order cash; process share drafts; originate and settle ACH; settle credit cards; settle Co-Op and many other billings; send and receive wires -- all through WesCorp. We have invested excess cash in their CDs. We can't really think of anything financial that they don't handle for us.

Which leads us to state, we need our corporate. We need the services they have provided us for many, many years. Many of the comments we have read are from larger credit unions that do not need or use corporates. Of course, there are smaller credit unions that do not use them either or only use them for settlement purposes. We use them for everything and any changes to the regulations will affect us.

The financial services we use can all be provided by other vendors, but we believe the increases to our cost of operations would be prohibitive. As stated above, we serve 2,800 low income members with five employees (560 per employee). We do not have excess income to buy products from the bank down the street (or frankly the time to go searching for them). We have started buying CDs from other financial institutions as we maintain a ladder longer than the NCUA guarantee.

So what do we want? We want our corporates to survive. We want to ensure that our corporates can make money and build capital. We believe that parts of the proposed regulations will be detrimental to the point of extinction for our corporates and recommend changes as follows:

- Remove penalty for early withdrawals on corporate certificates [704.8(c)]
- Revise Net Economic Value (NEV) sensitivity analyses to allow corporates to make sufficient income and retained earnings [704.8(d), (e) & (f)]
- Extend weighted average asset life expectations to accommodate both short and long term needs [704.8(h)]
- Adjust concentration limits sufficient to allow corporates to invest short term liquidity at reasonable rates [704.6(c) & (d)]
- Require only truly senior executives and directors to disclose compensation [704.19]
- Expand overall limits on business generated from individual credit unions to allow corporates to provide reasonably priced short-term liquidity [704.8(k)]
- Ensure that corporates can find qualified CUSO partners without having the regulations impede that objective [704.11]

While we have stated that we use WesCorp, we are not averse to using a different corporate if there is a consolidation/merger/assumption – as long as they can provide us with the financial services we require at a price we can afford.

Thank you for the opportunity to present these comments.

Sincerely,

Barbara A Bean
President/CEO
Cal Poly Federal Credit Union