Your Financial Cooperative

Scott & White Employees Credit Union

Office of the President & CEO
Gary L. Janacek
Fax:254-778-0285

P.O. Box 3644, Temple, Texas 76506-3644
Phone: 254-778-3199

Email:

janacek@swecu.org

MEMORANDUM

MARCH 2, 2010

TO: MS. MARY F. RUPP
RE: PROPOSED CHANGES TO 12 CFR PART 704
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Dear Ms. Rupp,

On behalf of the Board and Management of Scott & White Employees Credit Union, thank you for the opportunity to comment on NCUA'S Proposed Corporate Credit Union Regulation.

Scott & White Employees Credit Union has been a member of Southwest Corporate FCU since its inception. Our credit union is dependent on Southwest Corporate for Cash Management, Investment Services, and Payment System needs. Putting it bluntly, we cannot function without Southwest Corporate.

The unfortunate events that have led up to our current crisis are troubling and has further divided the credit union community.

It is imperative that we maintain an Independent Regulatory Agency, Insurance Fund, and Corporate Credit Union Network to sustain our natural person credit unions abilities to serve the needs of our memberships without disruption.

We must have a Corporate Credit Union Network that can continue to sustain their operations by making all types of investments with consideration of concentration and duration risk. The proposal in 704 will cripple Corporate Credit Unions ability to meet the investment needs of its memberships while making it impossible to drive enough margin to build or maintain expected capital levels.

I have had the privilege during my credit union career to serve as a Past Chairman of CUNA, Past Chairman of Southwest Corporate FCU, Past Chairman of the Texas Credit Union League, Past Chairman of Texas Share Guaranty Credit Union, Past Chairman of Members Insurance Group, Director of US Central Credit Union, Director of World Council of Credit Unions, and now in my second term as Chairman of the Texas Credit Union Commission.

I believe it is imperative that NCUA utilize the resources available through the US Treasury to infuse capital into the Corporate Network System through subordinated debt instruments giving confidence to credit unions to recapitalize membership shares. We must also seek risk based capital standards for natural person credit unions as we work through this financial crisis.

All financial institution regulatory agencies must work with Congress to develop a vehicle to hold and manage the toxic assets of all our institutions such as the Resolution Trust Corporation was utilized in the 1980's. We cannot afford for any part of our system to fail.

I am asking that you be rational in your approach to making needed modifications to 704. We must all accept responsibility for the events that have led up to this crisis. We must all act responsibly in resolving the problem.

In closing, we thank you for this opportunity to comment on the proposed Corporate Credit Union Regulation.

Sincerely,

Gary L. Janacek CEO