

March 2, 2010

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

Dear NCUA Board Members:

I began managing Winston-Salem City Employees' Credit Union in May, 1993 when it had just \$14 million in assets. As you can imagine this was a difficult new job for me. One of my first major accomplishments was to move our bank account from Wachovia to First Carolina Corporate Credit Union. We saved over \$10,000 a year in reduced fees and increased revenue. Additionally, the operational improvements saved us time and gave us the type of support we needed from our financial institution partner. The corporate credit union system made a difference back in 1993 and continues to have an important role within the credit union movement. Summit Credit Union, a \$125 million credit union with over 21,000 members, depends on the corporate credit union system in many important ways.

I don't think NCUA should be too quick to give up on the cooperative corporate structure. But the current NCUA proposal does just that. I think the corporate system has a lot of value, just as the natural person credit union structure has a lot of value. Mistakes have been made. Please don't allow an overreaction by NCUA to compound past mistakes. The credit union movement can and should work towards a workable solution. But, we need the help of the NCUA Board. It can be done, but it must be done right.

I have two critical issues with the current NCUA proposal. First, the cash flow mismatch limitation that would match the cash flows of a corporate credit union's assets and liabilities will not allow corporates to generate sufficient earnings. Unless this rule is modified, the corporate system will not be able to comply with the retained earnings requirements that are also included in the proposal. I also disagree with the NCUA statements that indicate corporate credit unions have the capacity to raise the fees that member credit unions pay for corporate services in order to achieve the retained earnings requirement.

The second critical issue pertains to the need to isolate new member-contributed capital from possible future losses arising from the existing mortgage-backed securities (i.e., legacy assets) that are owned by corporate credit unions. Legacy assets must be isolated in order to facilitate corporate credit union recapitalization.

The corporate credit union system can live out their cooperative heritage with a great deal of earned trust well into the future. I encourage you to help the cooperative credit union system realize a cooperative future that is viable. The credit union industry leaders are ready and willing to assist you. We have worked too hard and have lost too much money to give up on the cooperative structure now. Be smart. Do the right thing. We are depending on you!

Sincerely,



Sam Whitehurst
President/CEO