



March 4, 2010

Ms. Mary Rupp  
Secretary to the Board  
National Credit Union Administration  
1755 Duke Street  
Alexandria, VA 22314-3428

Re: Proposed rule changes to NCUA Regulation 704

Dear Ms. Rupp:

Please help save the future of all credit unions from the proposed changes to NCUA Regulation 704. Many of them are not in favor of the small guy and that is what the Credit Union movement was based on to begin with which is to be able to help those that can not go to a traditional for-profit bank for their financial needs.

At a high level, the proposed NCUA Regulation 704 will result in price increases our credit union will have to pay to SunCorp, lower the dividend rates we receive, that in turn will be passed on to our members. Along with the new capital requirements of Regulation 704, we do not believe credit unions will support this business model and as a result, corporate credit unions will cease to exist and credit unions will be forced to find new providers for settlement services, likely from our competitors in the for-profit banking industry.

As an alternative, we would simply ask that the NCUA Board start over and offer more choices and more flexibility. In addition, allow corporate credit unions to assume some risk and higher return *OR* if the risk is to be reduced, require less return.

While we believe in and support the corporate system 100%, our first priority is to the members of our individual credit union. As an organization, our Board of Directors may someday be forced to choose between the two.

In reviewing proposed Regulation 704 on a "before and after" basis, it appears that NCUA is asking that corporate credit unions move from a "co-op pricing model" to a "market price, for profit model." While that may be fine for an ordinary business, these model assumptions are contrary to the founding and existing credit union philosophies and as a result, our credit union might have difficulty supporting.

Thank you for your time and consideration of this most important issue.

Sincerely,  
Jarrod Frerichs



Information Systems & Technology Manager  
2500 H Street  
Lincoln, NE 68510  
(402) 475-7059

cc: The Honorable Ben Nelson, U.S. Senator  
The Honorable Mike Johanns, U.S. Senator  
The Honorable Jeff Fortenberry U.S. House of Representatives  
Peoples Choice Federal Credit Union Board of Directors

**402-475-7059**

**6700 S. 70<sup>th</sup> Street**

**www PeoplesChoiceLincoln.org**

**2500 "N" Street**