



March 4, 2010

Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street, Suite 4206
Alexandria, VA 22314-3437

Re: *Comments on Proposed Revisions to NCUA Part 704, Corporate Credit Unions*

Dear Ms. Rupp,

Onpoint Community Credit Union ("Credit Union") is a state chartered credit union in Oregon. The Credit Union has assets of \$2.8 billion and operates 15 branch offices serving over 200,000 members. The Credit Union utilizes a variety of products and services offered by corporate credit unions including investment services and operations support. On behalf of Onpoint Community Credit Union, we appreciate the opportunity to comment on the proposed changes to NCUA Part 704 Corporate Credit Unions.

We fully support NCUA's goal to strengthen the corporate credit union system and corporate credit union operations to provide benefits and reduce risks to the credit union industry. We also support NCUA regarding those regulatory changes that will mitigate risk and address issues that threaten the safety and soundness of corporate credit unions including: stronger capital requirements; increased limits on single obligors; concentration limits on certain investment sectors; and prohibitions on certain high risk securities. However, we cannot support other proposed regulatory changes that result in unnecessary regulation of the corporate credit unions or that do not benefit their operations or reduce risk, but further threaten corporate credit union operations.

We believe the Proposed Rule contains several requirements that would significantly impair a corporate credit union's ability to provide viable products and services to member credit unions, particularly small credit unions.

1. Legacy Assets/Recapitalization.

We have fundamental concerns that the Proposed Rule assumes that credit unions will recapitalize corporate credit unions based on these proposed reforms alone. That assumption cannot be made until NCUA addresses one critical issue - how NCUA will resolve the disposition of corporate credit union legacy assets. For any corporate recapitalization to be

successful, new capital must not be exposed to the potential losses from legacy assets. Until an effective solution to the legacy asset issue is crafted, the recapitalization of corporate credit unions is unlikely to occur and many of the reforms in the Proposed Rule will have little relevance.

Our Credit Union would not be prepared to consider a corporate credit union recapitalization with the potential that additional OTTI related to existing legacy assets will immediately impair any new capital. Therefore, we urge NCUA to address the fundamental issue of legacy assets first and foremost and to extend the current comment period until the NCUA discloses its plan for legacy assets.

2. Premium Redemption Restriction on Certificates – Section 704.8(c).

The proposed new limit on corporate credit unions' ability to redeem outstanding certificates of a natural person, even at a premium, is overly restrictive and detrimental to the entire corporate certificate market. We believe this new limitation unnecessarily disturbs the free market factors that permit corporate credit unions and member credit unions to properly price certificates and certificate withdrawals. Under the proposed restriction, corporate credit unions will be unable to provide certificates that permit a premium on early withdrawal, and member credit unions will seek other instruments with less punitive provisions. We urge NCUA to reconsider and withdraw its proposed limit.

3. CUSO Permissible Activities – Section 704.11(e).

The Proposed Rule would limit corporate credit unions' CUSO activities to a contracted list of CUSO services and prohibit certain services currently conducted by corporate CUSOs. Under the Proposed Rule, corporate CUSOs could not engage in or continue to conduct services such as: ALM services, business lending services, and card services. Many natural person credit unions currently rely on corporate CUSOs for these types of services. The proposed prohibition will result in service disruption, higher costs to credit unions for replacement services and a decrease in service income to corporate credit unions, all without any meaningful benefit or risk reduction. We urge NCUA to reconsider the proposed limitation in Section 704.11(e) and permit, at a minimum, the same types of CUSO activities as are currently permitted and provided.

4. Corporate Governance – Section 704.14.

We understand and agree that corporate credit union boards should be represented by well-qualified individuals with the background and experience necessary to manage the unique and complex business of a corporate credit union. We do not believe NCUA should impose further corporate governance requirements upon corporate credit unions. A requirement that each board member hold a current title of CEO, CFO or COO of a member credit union does not insure qualified candidates and it precludes many individuals who may be far more qualified and experienced, yet lack the necessary title to be eligible. Similarly, under the Proposed Rule, a board term limit of six years will arbitrarily restrict corporate credit unions from retaining their

most experienced directors who are critical to the management of the complex operations of the corporate credit union. Effective corporate governance of credit unions is not achieved by regulation. We believe the NCUA should withdraw these proposed corporate governance requirements.

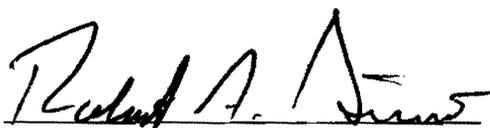
5. Compensation Disclosure – Section 704.19.

We believe the proposed requirement for public disclosure of the compensation of each senior executive officer and director is unnecessary and provides no discernable benefit to strengthen corporate credit union operations or the safety and soundness of the credit union industry. Currently corporate credit unions are fully accountable to their member credit unions with financial information, including executive compensation if necessary or relevant. Also, NCUA and state regulators currently have full access to any compensation information. A required public disclosure does not benefit or strengthen the corporate credit union. On the contrary, full public salary and benefit disclosure, beyond a corporate credit union's members and regulators, may cause highly qualified and experienced management executives to choose employment opportunities where their personal employment benefits are not subject to unlimited public scrutiny. We are also wary that, if this unnecessary disclosure is required for corporate credit unions, NCUA will then impose the same requirement on natural person credit unions.

We respectfully believe the reforms to be achieved in the Proposed Rules should be carefully tailored to address actual safety and soundness concerns and to avoid added regulatory requirements that would not have any direct benefit in reducing risks or ensuring safety and soundness.

We appreciate the opportunity to provide our public comments to NCUA so that the corporate credit union system can be improved.

Best regards,



Robert A. Stuart
President/CEO



Jim Hunt
SVP/CFO