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March 4, 2010

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Comments on Proposed Regulation of 12 CFR Parts 702-704, 709 and 747
Corporate Credit Union Restructuring

As regulators, NCUA has the burden of partial responsibility for the financial fall out of the Corporate Credit Union. Now in hindsight, the NCUA proposals seek sweeping changes potentially crippling the corporate system which will directly impact Natural Person Credit Unions.

Too small to stand alone, our CU has a definite need for the viable corporate CU system to provide investment alternatives, short term liquidity, a line of credit and clearing/settlement services. The back office support provided by the corporate system is essential for a credit union of our size. We fully expect to pay for services used resulting in increase the cost of doing business within the corporate system.

If the corporate restructuring is too restrictive to retain the larger NPCU's, as they pull away the impact could be disastrous for smaller NPCU's. This will weaken the entire credit union structure.

704.2 Discontinue the practice of forced extinguishment of capital based on *projected* losses. Recognize *actual* cash flow losses. Clarify the separation of legacy assets.

704.6 All credit unions should minimize losses by setting safe and sound concentration limits. If limits are too restraining, it will have a negative impact on the NPCU.

704.8 The NEV stress tests recommendations are severe. The Corporate investment structure allows a NPCU to meet specific investment/laddering needs. The early withdrawal penalty recommendation is harsh. As for weighted average asset life, stress tests should negate the need for this stringent requirement.

704.11 The joint efforts of a CUSO are a natural fit and make good business sense. The verbiage "other categories of service as approved in writing by NCUA" needs further definition.

704.19 Executive and Director Compensation should not be public. This may have a negative impact on the ability to hire or retain qualified individuals. I support transparency however disclosing compensation will not reduce risk.

Are we willing to recapitalize the corporate system? Yes, under the right circumstances. The corporate credit union system is essential.

Respectfully,

Katie Zowada, CEO

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