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March 5, 2010

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: Proposed Regulation 12 CFR Part 704

Dear Ms. Ruup:

I am writing to provide my input to the NCUA Board regarding the proposed revisions to the regulations concerning the corporate credit unions. Although High Peaks Federal Credit Union is a natural person credit union, the proposed regulation will greatly affect our operations and our service to our members. We currently are a member of Treasure State Corporate Credit Union in Helena, Montana. High Peaks Credit Union is less than \$20 million in assets located in a small community called Dillon, Montana. We have two additional branches in smaller communities. We are the only credit union in each community and therefore a viable asset to the underserved communities.

I feel that some of the proposed revisions will have a direct impact to my credit union and my members. There are proposed changes that may force my credit union to seek alternatives other than the products and services offered by Treasure State Corporate Credit Union, which could prove to be very costly to us as well as unreliable. We utilize several different aspects of Treasure State so that we can be competitive with the other local financial institutions.

In reviewing the proposed regulation, there are several issues I am concerned with. The proposed regulation requires a corporate to meet a 0.45% retained earnings ratio by the end of three years; 1.00% after six years; and 2.00% after ten years. The new 4% leverage ratio must be met within 12-months after implementation of the regulation. Only retained earnings and perpetual contributed capital can count towards meeting the leverage ratio. In the current economic and interest rate environment, it seems unrealistic for the retained earnings portion of the leverage ratio to be met. The majority of the corporate credit unions have zero or minimal retained earnings due to the depletion of the capital investments at US Central or losses attributed to their own investment holdings.

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As the majority of net interest income for corporate credit union is generated from investments and not loans, this makes the periodic benchmark difficult to achieve.

Next, the proposed regulation does not address replenishment of member contributed capital. The NCUA should allow in the regulation a system where NCUA and corporate credit unions can return capital back to existing capital holders if actual losses on investments in which OTTI has been taken are less than projected and a corporate meets all regulatory capital standards. NCUA should allow for same accounting treatment as national standards and not permanently deplete credit union capital based upon projections.

Treasure State Corporate Credit Union has always had good representation on the board of directors from credit union officers representing all asset levels. The proposed term limits for directors of six consecutive years is too restrictive. A corporate credit union's operations are significantly different than a natural person credit union and it takes time to thoroughly understand. In addition, our corporate, which represents 58 member credit unions, has a smaller pool of potential volunteers. I feel this term limit should be increased to nine consecutive years or be completely eliminated.

The last comment I would like to make is in regards to the penalty for early withdrawal of certificates. The proposed regulation eliminates the ability for a corporate to redeem an outstanding certificate at a premium price. This would partially eliminate the current attractiveness of a corporate certificate because it would eliminate my credit union's ability to turn that asset into cash when needed. This will place my corporate credit union at a competitive disadvantage as well as reduce their longer term deposits. I feel that the current regulation should stay in effect.

I appreciate your consideration of my comments. Our credit union reviews Treasure State as a very strategic and needed business partner. As one of almost 8,000 credit unions which serve over 91 million members, it is important that we get to have a voice in the direction of the corporate system which will ultimately affect the natural person credit unions.

Sincerely,



Tammy P. Hatfield
CEO, High Peaks Federal Credit Union
Dillon, Montana