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To: [Regulatory Comments](#)
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Subject: Comments on Part 704 Corporate Credit Unions
Date: Friday, March 05, 2010 9:03:41 PM

Date: 03/05/2010

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

Subject: Comments on Part 704 Corporate Credit Unions

Dear Ms. Rupp:

On behalf of UNITED CATHOLICS FCU, I appreciate the opportunity to comment on NCUA's proposed amendments to Part 704, which would make major revisions regarding corporate credit union capital, investments, asset-liability management, governance, and credit union service organization (CUSO) activities.

This comment letter to the NCUA Board represents the position of United Catholics Federal Credit Union on the proposed corporate credit union regulations. We are a \$28 million credit union and service over 3500 members, most of who are located in low to middle income areas. We appreciate the opportunity to express our opinions on the proposed corporate regulations.

We cannot stress enough the importance of WesCorp, and how vital WesCorp is to our credit union as part of our daily operations. We process check deposits, process share drafts, order cash, settle Co-Op, originate and settle ACH, settle credit cards, Shared Branching and many other billings, send and receive wires -- all through WesCorp. If it wasn't for WesCorp, our corporate, we would not be able to provide products and services to our members at an affordable cost.

Simply, we need our corporate. We need the services they have provided us for many, many years. Many of the comments we have read are from larger credit unions that do not need or use corporates. Of course, there are smaller credit unions that do not use them either or only use them for settlement purposes. We use them for everything and any changes to the regulations will affect us.

The financial services we use can all be provided by other vendors, but we believe the increases to our cost of operations would be prohibitive. As stated above, we serve over 3,500 low income members with eleven employees (approx. 318 per employee). We do not have excess income to buy products from the bank down the street (or let alone have the time to search for them). We have started buying CDs from other financial institutions as we maintain a ladder longer than the NCUA guarantee.

What do we want? We want our corporates to survive. We want to ensure that our corporates can make money and build capital. We believe that parts of the proposed regulations will be detrimental to the point of extinction for our corporates and recommend changes as follows:

- Remove penalty for early withdrawals on corporate certificates [704.8(c)]
- Revise Net Economic Value (NEV) sensitivity analyses to allow corporates to make sufficient income and retained earnings [704.8(d), (e) & (f)]

- Extend weighted average asset life expectations to accommodate both short and long term needs [704.8(h)]
- Adjust concentration limits sufficient to allow corporates to invest short term liquidity at reasonable rates [704.6(c) & (d)]
- Require only truly senior executives and directors to disclose compensation [704.19]
- Expand overall limits on business generated from individual credit unions to allow corporates to provide reasonably priced short-term liquidity [704.8(k)]
- Ensure that corporates can find qualified CUSO partners without having the regulations impede that objective [704.11]

Despite the fact that we have stated that we use WesCorp, we are not averse to using a different corporate if there is a consolidation/merger/assumption – as long as they can provide us with the financial services we require at a price we can afford.

Thank you for your consideration to this critical matter.

Sincerely,

Lucy Sloan, CEO