



March 8, 2010

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

Re: Proposed Regulation 12 CFR Part 704

Dear Ms. Rupp:

Idaho Central Credit Union is a state chartered, federally insured credit union in Idaho. We have 84,000+ members, \$840 million in assets, 18 branch offices, and 280 team members. We provide a full range of financial services to the residents of Idaho.

At Idaho Central Credit Union, we use services from Suncorp, Wescorp, and Southwest Corporate. We held contributed capital at Wescorp and Suncorp.

We appreciate the opportunity to comment and thank NCUA for generating a thought-provoking proposed regulation. We believe the proposal is flawed and NCUA should seriously consider the many thoughtful comments and proceed with another round of modifications to this proposal followed by another comment period.

While we are not members of the California or Nevada Leagues, we agree wholeheartedly with their comment letter written on February 17, 2010, as published with other comment letters. We have additional comments below:

Rules versus Principles

We disagree with any proposal which imposes rules on corporate credit unions (CCUs), natural person credit unions (NPCUs), or any other business for that matter. Rules-based regulations tend to limit strategic options and give an illusion of safety. As a result, regulations become large and unwieldy. New enforcement personnel or measures are required and bureaucracy grows. We reject the need for rules-based regulations.

A World without CCUs

What would Idaho Central Credit Union do in a world without CCUs? Two major areas would be impacted.

First, complex investment management would become our responsibility. Idaho Central can afford to obtain expertise; many NPCUs cannot. NCUA would be well advised to create room in



the regulation to allow CCUs to continue to aggregate the investment function on behalf of NPCUs. As proposed, NCUA will shift this risk to NPCUs, most of which are ill-suited to handle such risk. We encourage NCUA to rethink the provisions of the regulation which strangle a CCU's ability to invest and earn appropriate returns.

Second, pushing payment management to NPCUs is another recipe for frustration, if not disaster. Idaho Central has expertise in payments; many NPCUs do not. CCUs have been effective at aggregating payments at favorable pricing.

There is room in the CCU payment model for market-based pricing. In fact, we believe the time is long overdue where NPCUs should pay market rates for payment services at CCUs. If CCU management and boards priced competitively, NPCUs should continue to support the payment model.

Perpetual Contributed Capital

Having written off significant amounts of permanent capital, we are hesitant, at best, to recapitalize CCUs. We believe the timeframes for recapitalizing CCUs are much too short. NCUA should extend all timeframes by three to five years. We believe CCUs ought to work towards a business model which requires no secondary capital.

Qualifications of Directors

In our opinion, there is no evidence at either conserved CCU or any other CCU which has required its members to write off contributed capital that term limits or qualification by title would have been effective as qualifications or conditions of service. In fact, the opposite argument would very likely be easier to prove since many CCU boards have been composed primarily of the titles suggested. We urge NCUA to remove these requirements from the proposed regulation.

In conclusion, regardless of commentary after the fact, the vast majority of humans on earth did not see the current conditions coming. To over regulate CCUs or NPCUs or any other venture as a reaction to current economic conditions is a mistake. It would compound that mistake to assume anyone has the foresight to write a regulation which would eliminate all future risks. We urge NCUA to return to principle-based regulations and hold CCU boards accountable by comparing their performance to industry standard measurements. We believe this is a course of action NCUA can afford.

Respectfully,

A handwritten signature in black ink that reads "Kent Oram". The signature is fluid and cursive, with the first name "Kent" and last name "Oram" clearly legible.

Kent Oram
President/CEO