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To: [Regulatory Comments](#)
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Subject: Comments on Part 704 Corporate Credit Unions
Date: Monday, March 08, 2010 4:43:34 PM

Date: 03/08/2010

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 Ketema 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.

I am the CEO of a 2 million dollar credit union with 450 members in El Cajon, CA. I have reviewed the comments prepared by my League, the California CUL and feel that they have addressed concerns at a high level of sophistication and thoughtfulness. I support their comments and can only add the following:

- 1) Wescorp has been invaluable in providing payment services. I remember the days when we had to provide checking accounts through the generosity of a local bank and have no desire to return to that position of weakness when the credit union movement, as a co-operative movement, should be able to provide for itself.
- 2) No human endeavor can be completely "safe". Let us not let perfection become the enemy of the good. Certainly, we should seek to safeguard against the errors of the past but I respectfully submit that some of the blame must be placed with those who sought to eliminate their risk by extending Federal Insurance to banks engaged in activities that taxpayers should never have been expected to insure. The fact that the entire economy has suffered due to this greed should not result in "safeguards" for the credit union movement that actually hinder healthy and informed risk taking.
- 3) My credit union has been buffeted by the economic turbulence we all have been experiencing. Recapitalizing Wescorp in 12 months would add another hurdle to overcome when we are not out of the woods yet. A longer recapitalization period would be appreciated.
- 4) Please use the continued existence of corporate credit unions and their ability to provide cost efficiencies to natural person credit unions as a touchstone in evaluating the proposed rules.
- 5) An assurance that any capital provided by natural person credit unions will not be extinguished by pending losses as yet unrealized, will be a requirement before my Board will consider recapitalizing Wescorp.
- 6) Please be open minded about what CUSOs corporate credit unions may use to offer the services that natural person credit unions need. While I have a great appreciation of the dedication and integrity of small credit unions and their officials and staff, I know that this is a complex world and wherever we can create efficiencies for addressing the most complex areas, (e. g. investments, ALM, data

processing, etc.) at a reasonable cost that is where we are best exemplifying the credit union promise.

Again, let me lend my support to the comments of Bill Cheney and the California Credit Union League. I believe that the Credit Union movement would likely perish without Corporate Credit Unions and I thank NCUA for its efforts to strengthen the Corporate system. Together, I am sure that we can do it.

Respectfully submitted,

Thank your for your consideration to this critical matter.

Sincerely,

Lorna Stafford-Bentley