From:	Anne Blain
To:	_Regulatory Comments
Subject:	Corporate Credit Union Proposal
Date:	Tuesday, March 09, 2010 3:48:47 PM

3-9-2010

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

Dear Ms. Rupp:

Re: Response to Proposed Rule for Corporate Credit Unions (12 CFR Part 704)

The NCUA has proposed significant changes to the regulation of corporate credit unions (Corporate). As an owner and user of services from Central Corporate Credit Union (CenCorp), we will ultimately be impacted by any change in corporate regulation.

CenCorp is our credit union's primary source for meeting our liquidity needs. CenCorp has historically provided a convenient/competitive alternative for investing funds not currently needed to meet loan demand or a source of short-term liquidity when we needed funds. CenCorp also provides us with various correspondent services that are integrated with our internal operations and data processing systems.

We have chosen to use CenCorp because of the value that is delivered. This value includes qualitative aspects, such as products customized for a credit union environment and responsiveness to questions, and quantitative aspects, such as better returns on deposits and lower pricing on correspondent services. For our credit union, we estimate that our annual benefit from using CenCorp vs. other providers at approximately $14,000. Since we are a small Credit Union, we would be devastated without our corporate. Not only does CenCorp save us a lot of money, but if we had to go through another financial institution, it would probably cause us to merge eventually. We receive services from CenCorp that would be impossible to replace. CenCorp has enabled us to offer cutting edge business lending services to our members at relatively low prices. We have remained competitive and allows us to continue to attract new members.

It is our understanding that the asset/liability management section of the proposed rule is restrictive to the point that the earnings capability of CenCorp will be greatly diminished. CenCorp would need to reduce the return to members in order to meet the earnings retention requirements mandated in the proposed rule. This would make it difficult for us to continue to provide service to our members. Such as discontinue offering our members a money market account or competitive rates on term share certificates or low auto loan rates. Further, changes to the corporate regulations need to be considered along with the future funding needs for US Central assets in order to minimize losses to the credit union system in the future.

There have been significant economic events in recent years that are prompting the need to change corporate practices and regulation. The proposed rule needs to include both changes to existing regulation as well as a plan that allows for a smooth transition from the current environment. We believe that the proposed rule as written will be unnecessarily disruptive to our operations. This, in turn, will impact our ability to serve credit union members. We urge the NCUA Board to modify the proposed rule to avoid any unintended consequences. Specific suggested changes are presented in CenCorp's comment letter to the proposed rule.

Thank you for your consideration.

Sincerely,

CHIROPRACTIC
Federal Credit Union

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