From: Linda Jordan
To: _Regulatory Comments
Subject: Response to Proposed Rule for Corporate Credit Unions (12 CFRPart 704)
Date: Tuesday, March 09, 2010 5:29:33 PM

Attn: Ms. Mary Rupp, Secretary of the Board
National Credit Union Administration

Noted below are my responses to the Proposed Rule for Corporate Credit Unions:

Extinguishment of Capital: Since their is no apparent accurate formula with regard to the write-downs that have occurred, it seems extremely unfair capital holders will not receive their fair share of any gains on sales where the losses were actually lower than projected. Additional consideration should be given in this area with regard to returning gains to the capital holders.

Liquidity - 30 day maximum borrowing term: Credit unions need access to term borrowing from corporates for liquidity purposes. A 30 day maximum borrowing limit would be detrimental to both member credit unions and corporates. Borrowing by corporates should not be limited in order to allow them the flexility to manage their interest rate risk and provide needed services to member credit unions.

Spread widening test - 3 month mismatch target: If the corporate credit union environment had maintained government agencies and other government guaranteed securities, our most recent dollar loss crisis may have been avoided to some degree. The spread widening test should exempt securities that do not carry a credit risk.

Callability of Perpetual Contributed Capital (PCC): Pre-approval from NCUA for the Board of Directors of a corporate credit union to redeem/call PCC should not be required if the corporate meets/exceeds minimum capital requirements.

Term certificate redemptions: Member owners of a corporate credit union should benefit from any gains on the early redemption of certificates as long as corporate has booked the necessary gain on any offsetting asset(s).

Sole discretion of OCCU director to require higher capital: This is an area in which the methodology should not be subjective.

Single obligor limit for overnight/fed funds transactions: The only limitation here should be the financial stability of the institution(s) funds are being placed in, and a concentration limit for such overnight deposit transactions. Their is little practicality in placing funds in numerous institutions, who may or may not be stable.

Director term limits: If term limitations are put in place, time served should not be a factor moving forward. There should be a new benchmark based on the passing of the Regulation so as not to eliminate the majority of any current corporate board of directors.

Effective phase-in timeline for entire new regulatory guidelines: A reasonable timeline should
be allowed for corporates to comply with the new rules. Effective immediately should not be a requirement
upon final approval of the NCUA board.

I/we would like for the corporate network to survive.   Regulations which are too restrictive will prevent this from happening.

Sincerely,

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