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**To:** [Regulatory Comments](#)  
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**Subject:** Comments on Part 704 Corporate Credit Unions  
**Date:** Tuesday, March 09, 2010 8:40:01 PM

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Date: 03/09/2010

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 Media City CCU, 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 Media City Community Credit Union on the proposed corporate credit union regulations. We are a \$34 million credit union and service over 3500 members. 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, settle ACH, and settle credit cards, 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.

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 a small credit union we have limited resources and are competing to provide products and services members have come to expect. We do not have excess income to buy products from banks or other providers.

What do we want? We want our corporates to survive. We want to ensure that our corporates can make money and build capital for the long term success of the credit union industry.

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 the corporates nominating committee to develop the criteria necessary for the required expertise of board members. It should not be based on position title (CEO, CFO, COO).
- 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]

MCCCU thanks the NCUA Board for the opportunity to provide our comments regarding this very important rulemaking.

Thank your for your consideration to this critical matter.

Sincerely,

Monica I. Lopez, President/CEO