



March 9, 2010

Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear Members of the Board,

I am pleased to comment on behalf of Edison Credit Union on the proposed revisions to Part 704. These comments reflect my 25 years experience working with different corporate credit unions in the 3 different states in which I have managed credit unions along with my serving on the Board of the Missouri Corporate Credit Union for over a decade.

I have enthusiastically signed on to the letter submitted by Missouri Corporate along with 60 of my colleagues which specifically addresses each area of the regulation with our perceived issues. I would like to personally address a few of these issues from the perspective of a credit union that depends a great deal on the basic services provided by Corporate Credit Unions and especially high quality service oriented Corporates such as Missouri Corporate.

Edison Credit Union is a full service, \$25 million operation serving 4,500 members with a staff of just 12 employees. We depend on our corporate for settlement, investment and liquidity services. We find it a comfort to be able to contact our corporate with a problem and know that they will be looking out for our best interest in finding a resolution. There have been many times in the past when they have contacted us while we were in the process of performing a function and either helped us to do it in a better fashion or saved us from making an unfortunate error. This is due to the fact that they know us, they know our business and they are interested in helping us to improve our business.

Missouri Corporate stayed true to the origin of the corporate system and served as a "pass through" option within the two-tier corporate system and it served the credit unions of Missouri well. I think that there is a great case to be made that the system failed itself when the competition amongst the larger corporates forced them to take on more risk and also forced U. S. Central to do the same. By allowing national fields of membership and encouraging the competition as is noted in Section 1.A of the Preamble, this competition arose and it is apparent that the NCUA should think twice before encouraging this same behavior again.

Please read these comment letters and specifically the one submitted by the Missouri credit unions. Realize the value that small to mid-sized credit unions receive from the corporate system and set your final regulation accordingly. I have been present at town halls and the GAC to hear the anger of the large credit unions and their requests to make wholesale changes to the system. I do not believe that it is necessary for wholesale changes, just a return to the basics of providing the settlement and liquidity services needed by credit unions. Many credit unions may feel as though they have outgrown the old system but there are many more that need to see retention of these basic services

Please take a closer look at the capital requirements and specifically the short periods of time necessary to satisfy the regulation. Meeting the retained earnings requirements will have an immediate negative effect on the member credit unions who are already suffering through these tough times. I realize the need to capitalize the system but this can be accomplished over time as it was when the system was first put in place.

Please reevaluate the investment option mismatch portions of the regulation and other ALM sections and realize that in order for a corporate credit union to be able to make money and accumulate retained earnings, there needs to be an option other than Student Loans.

In closing, I would like to say that overall the regulation is a good start but with some necessary adjustments it can be something to allow for a future corporate system. Keep in mind that the majority of all credit unions need the services of corporate credit unions and the ability to retain the corporate credit unions that we work with now will be beneficial to the entire credit union movement.

Cooperatively Yours,

Ron Miller, President