West Virginia Central Credit Union

Wherever You're Going, We're There!

Mary Rupp, Secretary of the Board

National Credit Union Administration

1775 Duke Street

Alexandria, Virginia 22314-3428

March 9, 2010

I'd like to thank the NCUA Board for this opportunity to communicate our thoughts regarding the proposed corporate credit union regulation.

West Virginia Central Credit Union (WVCCU) is a member of West Virginia Corporate FCU (WVCFCU). Our corporate has been an invaluable part of our success for over 41 years. WV Corporate has provided more than just a depository for our liquidity, settlements and access to credit, they have provided insight in new products and services as well as acted as a mentor for our credit union.

The officials and staff of WVCCU strongly encourage the NCUA to develop a corporate regulation that will allow our corporate to operate and to actively serve our credit union.

WV Corporate FCU's management never operated our corporate in a risky manner. Corporate always maintained a relatively matched book of business. Despite not taking on excessive risk, our corporate not only met the needs of all credit unions in West Virginia, but served us well!

Officials and staff of WVCCU have several concerns about the proposed regulation, but I will only address three areas in this comment letter.

1. Asset Liability Management - The proposed weighed average life of all assets of 2 years is overly restrictive. Potentially keeping corporate credit unions from being able to meet the liquidity needs of members and limiting their ability to create value through building retained earnings. Also the requirement for a spread widening shock of 300 bps restricts cash flow mis-matching so much that it effectively would put the corporates totally out of business. 300 bps shock seems excessive considering the historical credit spread widening of 100 bps is a rare event.

The prohibition against early redemption of certificates at a premium devalues the certificate program. The sharing of market gains as well as losses seems to be reasonable.

Small credit unions need their corporate credit unions to be able to offer more than just short term investments for their liquidity. The ability to manage investable dollars outside of our corporate network will create hardships for smaller credit unions.

2. Capital Ratio Attainment – The proposed requirement to attain the risk based and tier one capital requirements within one year is unreasonable given the extreme changes being contemplated by the proposal.

   A corporate credit union will need to develop a business plan based on the final requirements. The corporate will have to convince its members to either convert MCS or purchase the perpetual capital instruments. Credit unions will need more time than twelve months to be comfortable with the recapitalization and business plan. More time is needed for an effective plan to be developed, delivered and accepted by credit unions.

3. Governance – The requirement that each board member of a corporate credit union be a CEO, CFO or COO does not seem to be necessary and certainly seems to lack reason. For instance, I believe that US Central and I suspect that WESCORP boards were made up primarily of individuals that held these titles. It should also be noted that both of these corporate credit unions had a NCUA examiner on site 24/7. This does not seem to have worked very well in either of these examples.

   Corporate boards are elected by the membership. The membership seems to be best prepared to determine who should represent them on the board level without restrictions and expectations being placed on them.

   The proposed term limit of six (6) years does not seem to be workable in a smaller state with limited number of candidates. A slate of candidates may become increasingly difficult.

I have heard talk about one national corporate or several regional corporate credit unions, but I truly believe that West Virginia credit unions and certainly WVCCU are best served by our own in-state corporate.

I strongly request that the NCUA board consider our concerns as well as others presented by the credit union movement. A regulation needs to be put in place that allows individual corporate credit unions that have the support of the members to continue to exist and thrive.

Sincerely,

Michael A. Tucker

President / CEO