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December 13, 2010

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

RE: Temporary Corporate Credit Union Stabilization Fund

We, the Board of Directors of Clearwater Credit Union, send this letter in protest of your attempt to charge privately insured credit unions for Federal Insurance Fund losses and challenge the legality and appropriateness of this assessment.

Federal law clearly instructs the NCUA to charge only federally insured credit unions for any assessment due the TCCUSF. To do otherwise could be construed as an attempt to circumvent federal law through rulemaking.

The losses sustained by the TCCUSF fund cannot be disguised as anything other than losses normally sustained by the NCUSIF. It is ludicrous that NCUA would assert a legal obligation upon non-FICU users of a service provided by its insured credit unions for losses sustained by the NCUSIF any more than it can charge individual consumers for losses the NCUSIF sustains in natural person credit unions.

How can the NCUA assess non-FICUs when such entities have no rights to recover the premiums paid over 11 years? All credit unions lost billions of dollars in capital as a result of the corporate failures. While in theory all investors may receive a recovery of their capital losses, under Title II of the Federal Credit Union Act, non-FICUs can never recover their "voluntary contributions" through future NCUSIF dividends. Only federally insured credit unions would have the ability to recover their capital losses. Making non-FICUs pay the TCCUSF premiums over the next 11 years would be like forcing a FICU to pay FDIC premiums if they plan to use the services of an FDIC-insured bank that is facing higher premiums due to losses in other FDIC-insured banks.

Privately insured credit unions are required to fully disclose their lack of federal insurance on member accounts; therefore they receive no direct benefit from the NCUA, the TCCUSF or the federal government. As an investor in a corporate credit union, a non-FICU has the same rights to participation and membership as any other participating credit union, and should not be subject to expulsion simply for failure to make a "voluntary contribution" to a fund it receives no direct protection, service or benefit from.

The bylaws of corporate credit unions state that a special meeting of the membership to expel a credit union must be called upon the request of 5% of the membership. There is nothing in their bylaws that



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allows NCUA to dictate how corporate membership should act. Could this action by NCUA expose individual volunteer board members to personal financial risk in having them do what the NCUA cannot do under law?

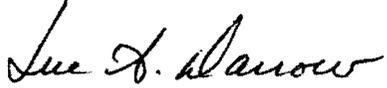
The TCCUSF was created by federal law and is a government agency. By requiring a "voluntary contribution" be paid to the TCCUSF, the NCUA is effectively taxing non-FICUs. We would call this "taxation without representation." Non-FICUs are not bound by contract with the NCUA, or required under our state statutes, to pay for federal share insurance losses while being privately insured. We do not believe the NCUA has regulatory or contractual authority over non-FICUs.

We strongly feel that the actions taken by the National Credit Union Administration regarding non-FICUs would dramatically affect privately insured credit unions that are members of a corporate credit union.

The NCUA seeks "voluntary contributions" but provides no definition for "voluntary" while calling for the expulsion by the corporate credit union's membership for non-payment in full by any non-FICU. Webster's dictionary definition of "voluntary" includes, but is not limited to: as brought about by one's own free choice; given or done of one's own free will; freely chosen or undertaken; arising in the mind without external constraint; acting or done without compulsion or persuasion. We certainly don't understand how a "voluntary contribution" can have such non-voluntary consequences or how NCUA believes they have any legal right to impose this "voluntary contribution" to the TCCUSF from non-FICUs.

For all of the above reasons, we challenge the legality and appropriateness of the agency's proposed assessment of non-FICUs for losses sustained by the TCCUSF.

Respectfully submitted,



Board of Directors, Sue Darrow, CEO