Lane Metropolitan CME Church Credit Union
2131 East 46 Street
Cleveland, Ohio 44103

12/17/2010

Ref: Proposed Rulemaking for Part 704
Corporate Credit Unions

Dear Mary Rupp:

The board of directors of this credit union objects strongly to the passage of the subject amendment to the NCUA'S rules regarding Corporate Credit Unions. Our credit union is small and has already been subject to legal assessments from our corporate credit union and our private insurer to fund for their investment and capital losses. Future assessments are expected from these entities which continue to decimate our profitability.

This proposed rule change is reminiscent of the NCUA'S legal effort, in the past, to have private insurers' loss reserve funds merged with its loss reserves that were seriously reduced by losses. The effort was defeated. Once again the NCUA is attempting to pass its losses onto non-federally insured credit unions (non- FICU). The NCUA is only given authority to assess federally insured credit unions by enabling federal legislation.

The losses covered by the Temporary Corporate Credit Union Stabilization Fund are no different than any other losses covered by the National Credit Union Share Insurance Fund (NCUSIF) which are not the responsibility of non- FICUs.

Our privately insured credit union has been assessed by our federally insured corporate credit union to help restore their capital lost due to investment losses. NCUA's effort to assess us again for losses sustained by conserved corporate credit unions insured by NCUSIF would be subjecting us to double jeopardy. If non-FICUs were required to make voluntary contributions to TCCUSF, Title II of the Federal Credit Union Act would not allow non-FICUs to recover their contributions from possible future NCUSIF dividends.

Our privately insured credit union is not "backed by the full faith and credit of the United States government." Federal law requires this fact to be conspicuously disclosed to members of non-FICUs. Given this fact, why would non-FICUs be required to pay for losses sustained by a federal government agency?

Corporate credit unions are supposedly "backed by the full faith and credit of the United States government. However, the NCUA's amendments and its Corporate Stabilization Program appear to say that corporate credit unions are actually backed by the full faith and capital of FICUs and non-FICUs, credit union leagues, CUSOs and others.

On balance, non-FICUs have no contractual or statutory to the NCUA to pay assessments for FICU losses that are covered by the NCUSIF. Our privately insured credit union can legally be assessed by our private insurer and our corporate credit union, but not by the NCUA because we are not backed by the "full faith and credit of the US government."

Non-FICUs paying assessments to the TCCUSF, opens the door for the NCUA to assess non-FICUs for any and all losses incurred by the NCUSIF.

Sincerely,

William Martin

William Martin, President

CC: Jerry McClinton, Treasurer