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December 21, 2010

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

Re: ~~Notice of Proposed Rulemaking for Part 704 - Corporate Credit Unions~~

Dear Ms. Rupp:

I am a CEO of a small credit union under 10 million in assets. I sit on the Small Credit Union Task Force Committee for the Ohio Credit Union League and have spoken with numerous small credit unions that are very concerned about this upcoming regulation. I am writing in response to the proposed amendments for corporate credit unions, specifically in opposition to the portion of the proposed changes that would require non-federally insured credit unions to make "voluntary contributions" to help repay the TCCUSF for failures resulting from federally insured corporate unions.

Losses sustained by the TCCUSF are no different than any other losses sustained by the NCUSIF, and we are not statutorily required to help cover those losses either. If this rule is allowed to be put in place as it is written today, it opens the door for non-federally insured credit unions to be assessed for any losses that are sustained by the NCUSIF.

Non-federally insured credit unions and federally insured credit unions have both lost billions of dollars in capital as a result of the corporate failures, and the federally insured credit unions have a legal right to recover some of their capital losses as the toxic investments mature. Our credit union, on the other hand, will not receive any recovery nor would've been bailed out if our private insurer couldn't pay for our losses. Will non-federal privately insured credit unions receive protection from NCUA if we voluntarily make this contribution?

~~The bottom line is that there is no law that requires us to make any such contribution to the NCUSIF, and I am concerned NCUA is attempting to twist our arm to convince us to make these "voluntary" payments. Last time I looked up the word voluntary, it does not state there are consequences tied to voluntary actions.~~

Respectfully submitted,

*Linda Cappella*  
Linda Cappella, CEO