

January 12, 2011

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 writing as a concerned United States citizen to voice my comments on your proposed regulations on the corporate credit union program, most specifically Part 704.21 on the Equitable Distribution of Temporary Corporate Credit Union Stabilization Fund (TCCUSF) expenses. I am a member of two credit unions in San Antonio, Texas, and have visited with the CEO of one in an attempt to gain an understanding of your agency's role in supervising and insuring credit unions, how the corporate credit union system functions, and what your proposed rule means to members of the corporate system. As an auditor for a Fortune 500 company for over 30 years I understand the financial system that serves our great country – and I am concerned about your proposal, which I have taken the time to read.

From everything I have read it appears to me that you do not have the fundamental legal right to take your proposed action of sending a "voluntary premium payment" bill to the entities you name in 704.21. My research indicates that there are fewer than 200 credit unions in the country for which you do NOT provide insurance – yet you propose to bill them for YOUR expenses associated with YOUR fund. I have learned that the NCUA provided on-site examinations at these corporate credit unions for many years; I assume that there were no "investment surprises" for your crew of trained professionals and that they had full access to all areas of investments and other assets at these large institutions. And now you want non-NCUA-insured entities to defray some of the expenses for actions YOU and your examiners opined on!

Many states have leagues of credit unions that provide lobbying and educational services to their respective credit unions like the ones I belong to. And you propose to bill them also. But you provide no insurance services to them! I am appalled as a tax-paying citizen at this egregious and far-reaching attempt on a federal agency's part to recover expenses associated with losses from your insurance fund. I can only liken it to a scenario under which the FDIC would send a bill to Morgan Stanley for losses associated with their fund's costs in closing 157 insured banks in 2010, with the reasoning that Morgan Stanley is a member of the Federal Reserve Bank and as such, received financial benefits of this system such as wire transfers, check clearing, and other services. But the FDIC insures no Morgan Stanley deposits! ***Do you see how ludicrous this appears to the financially-savvy tax payer who has an understanding of our financial system?***

I'm sure you would argue that "we (the NCUA) are not the ones taking action on these non-insured entities" since the bullying part of your proposal would force the corporate credit unions to take this action by voting to kick out non-compliant credit unions and leagues like the ones previously mentioned. Where is your moral compass? If you don't have the backbone to take punitive actions on your own - because of the previously stated lack of contractual rights - then why ask another entity to act on your behalf? I would hope that every affected league, association, and credit union files suit against your agency if you promulgate your proposed rule. And please be aware that I will contact my elected federal officials from Texas to ~~make them aware of this proposal~~ since your agency is a federal one with a chairman appointed by our President.

Thank you for allowing me to share my thoughts as a credit union member and a concerned citizen of this great country.

Sincerely,

A handwritten signature in black ink, appearing to read "JP Carter". The signature is stylized and written in a cursive-like font.

James P. Carter, III
San Antonio, TX