UNITED TELEPHONE CREDIT UNION

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January 13, 2011

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

RE: Proposed Rulemaking for Part 704 – Corporate Credit Unions

Dear Ms. Rupp:

As the Credit Union Manager of United Telephone Credit Union (UTCU), a state chartered, privately insured credit union (non-FICU), I have an appreciation for the challenging decisions that the NCUA Board has to make during these difficult economic times; however, the proposed rules associated with Regulation 704 and their effects on state chartered, non-FICUs are frightening, misguided and arguably illegal.

As a state chartered, non-FICU, this credit union is not under the regulatory control of the NCUA and its deposits are not insured by the NCUSIF. Through the FTC you have recently forced all privately insured credit unions to prominently display that our "members' accounts are not insured or guaranteed by any government or government-sponsored agency." Considering the fact that we receive no benefits, dividends or other monetary payments from the NCUA or the TCCUSF, the proposed rule's requirement of a "voluntary premium" payment for our alleged "fair share" of any losses incurred by the NCUSIF or the TCCUSF, with the consequences of non-payment resulting in potential expulsion from our corporate credit union, is ridiculous. We are not bound by contract or statute to pay for losses sustained by the NCUSIF or the TCCUSF—just as the NCUA is not responsible to pay for any losses sustained by our private share insurer and/or the FDIC.

Additionally, by forcing a corporate credit union's membership to vote on the expulsion of a credit union that refused to pay the voluntary premium, the NCUA is potentially weakening the very system that it is attempting to strengthen through this regulation.

I respectfully request that you reconsider this proposed regulation and submit this objection to your Board for review.

Sincerely,

Bryan Boyko
Credit Union Manager
United Telephone Credit Union