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January 14, 2011

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

Re: Proposed Amendments to NCUA Regulations Part 704 and 701- Corporate Credit Unions

Dear Ms. Rupp:

On behalf of the Board of Directors and Management of Buckeye State Credit Union, we appreciate the opportunity to express our formal comment to the proposed amendments to NCUA Regulations Part 704 and 701. As Chief Executive Officer of a state-chartered, privately insured credit union in Akron, Ohio with assets totaling \$72M and 19,079 members, we are very concerned and are against the Proposed Regulations under Part 704 and 701.

Part 704 - Voluntary Assessment on Non-FICUs

As a long-term dedicated member of Corporate One Federal Credit Union, we have great concern regarding the need for the provisions in the corporate proposal requiring a non-federally insured credit union to "Voluntarily" pay an assessment. The Temporary Corporate Credit Union Stabilization Fund (TCCUSF) was created by federal law and is a government entity. The NCUA is effectively taxing non-FICUs by requiring a "voluntary contribution" be paid to the TCCUSF. Non-FICUs are not bound by contract with the NCUA, or required under their respective state statutes, to pay for federal share insurance losses. Accordingly, the NCUA has no regulatory or contractual authority over non-FICUs. Making non-FICUs pay the TCCUSF premiums is like forcing a FICU to pay FDIC premiums if they plan to use the services of an FDIC-insured bank that is facing premiums due to losses in other FDIC-insured banks. Furthermore, making this assessment at a "one size fits all" ratio of .0815 times total assets will indeed make many smaller credit unions incapable of utilizing the services Corporate Credit Unions provide. This Amendment is forcing us to pay an assessment to our corporate or face expulsion from that corporate. We respectfully ask, why would any credit union accept the operational and reputation risks this provision would create?

This proposal also includes in the definition of a "non-federally insured credit union", other industry related businesses such as trade associations and credit union service organizations (CUSO's). We question the authority of the NCUA to include these entities as they too are not regulated under statutory authority by NCUA. None of these businesses are insured by the NCUSIF. We believe wholeheartedly that the strength of our industry will suffer if this amendment is approved. We also believe it will force capital-contributing members of corporate credit unions to utilize outside industry service providers (which we can afford to do) therefore creating a negative impact on the corporate credit union system itself. If we are forced to leave our corporate credit union relationship and utilize the services of the Federal Reserve, the increased cost to natural person credit unions will in part, be borne by the credit union members themselves. It's a lose-lose situation.

Our credit union has always supported the corporate credit union system and we wish to continue to do so but if this Amendment passes, we along with all other non-FICUs will seriously need to consider severing that relationship.

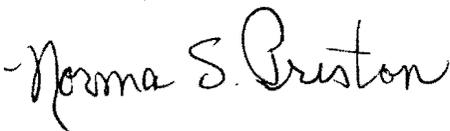
Part 701 One Corporate Credit Union Restriction

We believe that removing competition from the corporate credit union network by limiting natural person credit union memberships to only one corporate credit union will have a negative impact on concentration risk. It will also serve to remove potential capital contributors corporate credit unions need to meet the new regulatory capital requirements approved in September 2010. In addition, this too will only serve to force credit unions to go outside the system for better pricing. Corporate credit unions will no longer be able to reduce pricing in any single service area in an attempt to be competitive. They will be forced to compete in all service areas combined as they know they can only get the natural person credit union as a member by doing so. This will not benefit the corporate system any more than if we stated our membership requirements prohibit a person from having an account at Buckeye if they have an account at another credit union.

When Deborah Matz presented "THE STATE OF THE CREDIT UNION INDUSTRY" before the Senate Committee on Banking, Housing and Urban Affairs on Thursday, December 9, 2010, she stated that, "NCUA designed a three-phase strategy to stabilize, resolve and reform the corporate system..." One of the guiding principles she stated was used was to, "Facilitate an orderly transition to a new regulatory framework for the corporate credit union system based on consumer credit union choice." This Amendment appears to be contrary to that principle. We will no longer be able to choose by product or service at individual and separate corporate credit unions. We suspect that many credit unions like ours will move on to other third party providers where we will have free choice to make prudent business decisions.

In conclusion, we wish to commend the NCUA for addressing the contributing factors to the current corporate credit union crisis with the corporate rule changes made in September 2010. We believe these changes will improve the financial stability of the corporate credit union system in the future. We also strongly feel the above proposed amendments are counterproductive and will diminish the capital and strength of the corporate credit union system in the future.

Respectfully submitted,



Norma S. Preston
Chief Executive Officer
Buckeye State Credit Union
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