

January 19, 2011

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

RE: Comment Letter on "Notice of Proposed  
Rulemaking for Part 701 and 704 – Corporate Credit  
Unions"

Dear Ms. Rupp:

I am a member of the Board of Directors of the Staley Credit Union in Decatur, IL. We are a privately insured credit union chartered in the State of Illinois. I have serious concerns with several aspects of the proposed regulations under Parts 701 and 704, Corporate Credit Unions. Please note my comments on each as follows.

### **Section 704.23**

This proposal would permit corporate credit unions to charge their members, as a mandatory requirement of membership, reasonable one-time or periodic membership fees. I believe if a corporate credit union has done adequate planning, as the NCUA is requiring them to do, a corporate will not be in the position of needing to assess additional fees on their already member credit unions. This also puts an additional unnecessary burden on credit unions and may drive more credit unions away from their corporate credit unions, thereby eventually weakening the entire corporate credit union system.

### **SECTION 704.21**

NCUA has no regulatory control over Staley Credit Union nor does it insure the deposits of our credit union members. We very clearly and conspicuously disclose that we are "**not** backed by the full faith and credit of the US government". Simply stated, NCUA has no regulatory or contractual authority over non-federally insured credit unions. Calling it a "voluntary" contribution but then forcing our corporate credit unions to call membership meetings in order to "expel" us from membership if we decline to make the "requested" payment or make a payment in an amount less than "requested", is simply ludicrous. If we are a member in good standing of our corporate credit union, NCUA has no right to force them to hold a membership meeting to expel us from membership. NCUA should be ashamed!

### **SECTION 701.5**

This section proposes that membership be limited to one corporate credit union. This is truly "throwing the baby out with the bath water". The Inspector General did not document the ability of natural person credit unions to belong to more than one corporate as a major factor contributing to the crisis. Corporate credit unions are not created equal as NCUA should be fully aware. Different corporate credit unions offer different products and services. On more than one occasion we have

examined a product from two different corporate credit unions before choosing the *product* that suits us best. The decision is not based on the corporate credit union offering the product (assuming both are financially viable corporate credit unions), but on the product itself. Limiting credit unions to one corporate would stifle natural person credit union's ability to search out the best product or service to meet its members unique needs.

I understand proposed Section 701.5 has prospective impact only and as we are currently a member of two corporate credit unions, we would not have to relinquish either of those memberships. Another corporate credit union, however, may offer a particular product or service that is extremely attractive to us that is not available at either of our current corporates and we would not be able to pursue it. This would be an unintended negative consequence, I believe, of your proposed ruling which is totally off the mark.

Staley Credit Union places a very high value on the services we receive from our primary corporate, Members United Bridge Corporate Federal Credit Union. Our staff's opinion of several of the management staff of MU is that they truly work every single day to serve their member credit unions to the very best of their abilities. The fragmentation of the credit union framework resulting from the fallout from the ill-conceived proposals will likely be devastating to the overall credit union industry.

Thank you for allowing us to comment on our concerns regarding the proposed additions to the new corporate credit union regulation.

Respectfully,



James T. Slade

Director, Staley Credit Union Board