



January 27, 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

Christian Community Credit Union has been privately insured through American Share Insurance (ASI) since 1999. We are not insured by the National Credit Union Administration (NCUA). The following is in response to your request for response on the amendments proposed to Rule 704.21:

I do not believe that the mandated contribution provisions in the proposed amendments to Rule 704.21 are legal, equitable, or well intentioned. Mandating Corporate Credit Unions to ask by vote for their membership to consider expulsion from membership all the Non Federally Insured Credit Unions and related entities who choose not to contribute to the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) in an amount equal to that required of Federally insured Credit Unions is reprehensible. I believe the purpose of the contribution provision is intended to injure American Share Insurance(ASI). I feel the very tone of the contribution amendment is slanderous and malicious. I am very concerned that NCUA's leadership would abuse its authority and contrive a scheme to financially injure ASI and effectively remove 150 Non-Federally Insured Credit Unions from Corporate Credit Union membership.

The following is a list of factors I believe that have been misstated or overlooked in the NCUA's proposal:

- Many Non-FICU members of Corporate Credit Unions lost their PCA and MCA investments just as their FICUs counterparts did. In our particular case we lost over \$2,000,000. The statement in the proposal that Non-FICUs have not shared equitably is a misrepresentation. ASI insured Credit Unions, who were members of the Corporate Credit Unions taken over, have in effect made large contributions to the NCUA. If you include the premium payments to ASI, their "contributions" rival those by FICUs that are members of Corporate Credit Unions not taken over by the NCUA.
- ASI insured credit unions underwrite the costs to strengthen ASI in the same manner FICUs underwrite the costs required to stabilize the NCUA. None of the ASI costs will be underwritten by non ASI insured CUs or the NCUSIF.
- The amount of the requested contribution is inequitable. Non-FICU dollars on deposit in Corporate Credit Unions protected by the NCUSIF do not approximate 81.5% of Non-FICU assets. The NCUA does not protect the shares of our Credit Union. This inequity will become more evident when the current 100% coverage provided by NCUA to NPCUs deposits in Corporate Credit Unions is reduced to \$250,000 in the future. Assessing them on the basis of 81.5% of their assets, irrespective of the actual balances protected is totally inequitable.
- If the amendment is changed to reflect the actual exposure or coverage provided by the NCUSIF, i.e. if the "contribution" was "equitable", the aggregate "contribution" from Non-FICUs would not provide significant additional stabilization to support the adoption of this portion of the amendment.
- The result of enactment of the amendment will be withdrawal from the Corporate Credit Union system of Non-FICUs, resulting in less liquidity, fewer lines of credit, and less clearing service income for the Corporate Credit Unions. The provision will in fact not result in additional funding of the TCCUSF. It will instead lower the probability that Corporate Credit Unions will survive.
- Federal law clearly states the NCUA is to charge only federally insured Credit Unions for TCCUSF assessments. The NCUA is therefore by Federal statute not allowed to assess privately insured state chartered credit unions. The proposal is an attempt to circumvent the statute. The proposal will be challenged in court and reversed. To save the NCUA embarrassment, it should be removed from the amendment.
- NCUA would never allow a Natural Person Credit Union (NPCU) to expel a member on the basis of failure to contribute to a cause. The idea that they would mandate a Corporate Credit Union to consider expulsion of a NPCU is evident of their intent to muscle Corporate Credit Unions to vote to expel non "contributors", who conveniently include only the Non-NCUA Insured.

I respectfully request that the Board remove from the proposal those provisions that effectively mandate that Non FICUs and Credit Union related entities to contribute to the NCUA to remain members of the Corporate Credit Union system.

Respectfully Yours,

Scott Reitsma
Sr. Vice President/Ministry Development Group