

From: [Sonja Delaney](#)
To: [Regulatory Comments](#)
Subject: Sonja Delaney - Comments on Potential Voluntary Prepaid Assessments Program
Date: Tuesday, June 14, 2011 2:23:57 PM
Attachments: [image002.png](#)

To Whom It May Concern,

Midwest Community Federal Credit Union, after careful review of the NCUA's Voluntary Stabilization Prepayment Plan, is inclined to participate in the program. At this point in time we see several benefits to participation. First, the credit union has sufficient liquidity to participate in funding the prepayment. With the current interest rate environment, investment of these excess funds with the NCUA would have little opportunity cost in the form of lost investment income or loss of liquidity for lending. While this scenario may change in 2012 if interest rates begin to rise, we still do not predict the opportunity cost will be a significant detraction from the credit union's financial health. In fact, we feel the smoothing of assessments over time could have a very beneficial outcome to all credit unions. The potential benefit of credit unions working together on this assessment plan to provide an upfront, zero percent loan to the NCUA could translate into a slight, overall savings to the Stabilization Fund. In addition, assessments would potentially be more evenly spread over future assessment periods resulting in less of a "bottom line" impact in 2011 and 2012. This result would be welcomed by credit unions negatively impacted by the tumultuous economy the past three years. Finally, we see few challenges accounting for the prepayment, which should qualify as a prepaid asset on the credit union's balance sheet. Payment of future assessments in 2013 and beyond would be offset to the prepaid asset and reflect on the income statement. To keep the playing field even, I do feel smaller credit unions should be able to participate in the prepayment, even if their assets fall below \$2.8M. And I do feel those credit unions capable of contributing more than 36 bp toward the prepayment should be able to do so; the capability to contribute excess funds could help offset shortages where some credit unions are not able to participate in the program.

I appreciate this opportunity to comment on the Potential Voluntary Prepaid Assessment Program. Please do not hesitate to contact me if you would like further clarification of the above feedback.

Regards,

Sonja Delaney

President/CEO

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Disclosure In Case You Are Really Curious: If you ended up with this email and it isn't yours to read, go ahead and delete it. It isn't going to make much sense to you anyway. What makes sense is to be a member of one of the finest financial co-operatives, Midwest Community Federal Credit Union. If you aren't already a member, jump on our website <http://www.midwestcommunity.org> to see how you can pay less for loans, receive co-operative benefits such as low fee debit cards or credit cards, free bill pay, and many other benefits. If you are already a member, then 14,500 other members thank you for using the co-operative.

Are you still reading...really, you should either get back to work or jump on Midwest's web site to see how you can join. Still here?...okay...a joke...? Two antennas met on a roof, fell in love and got married. The ceremony wasn't much, but the reception was excellent.

Come on now, quit putzing around. There is lots to do!

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