

From: [Ronald Neumann](#)
To: [Regulatory Comments](#)
Subject: Potential Voluntary Prepaid Assessments Program Comments
Date: Monday, June 20, 2011 9:22:23 PM

Dear NCUA (Mrs. Rupp),

Thank you for the opportunity to consider the Potential Voluntary Prepaid Assessments Program.

Oregon Community Credit Union (OCCU) is unable to identify a reliable financial benefit to funding the Program. In fact, it appears (according to the NCUA's [Assessments - time series comparison](#) chart) that if the Program is successfully funded at the \$1.5 Billion level it will cost OCCU \$600k more in assessments over the course of the Program (2021) than if the Program is *not* funded at all. While we did not discount for the time value of money, we did build conservative (2-5%) insured deposit growth assumptions into our model. However, OCCU is prepared to consider participation in the Program.

In the current interest rate environment lost income opportunity on funding 0 to 36 basis points of insured deposits is relatively modest for an organization of our asset size, however, we are dedicated to providing strong returns to our members and therefore every dollar is important to our organization. Funding the Program also creates negligible liquidity risk for OCCU given the 2 year term between funding and prepayment expense reduction recognition. Our CPA firm has encouraged us to consider participating in the Program as they believe there may be a reduction in costs (particularly later in the plan) that is sufficient to offset the total cost including lost opportunities.

OCCU cares tremendously about the success of the industry and recognizes that participation in the Program can make a difference in the success of other credit unions and thus their member's lives. If the NCUA can assure OCCU that the prepaid expense funds will only be allocated to the assessment program and that the annual basis point assessments (if funded) will occur as stated in the [Assessments - time series comparison](#) chart, then Oregon Community Credit Union's Board of Directors is willing to consider participation. Upon confirmation of these assurances, OCCU is willing to fund up to \$1,500,000.00 toward the Program.

We look forward to your confirmation and we are prepared to address any questions or concerns that you may have. Will you also please advise whether the funding thresholds have been met and to what level?

Thank you for your proposal!

Respectfully,

Ron Neumann
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