



October 06, 2011

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

Re: NASCUS Comments on Proposed Rule - Corporate Credit Unions

Dear Ms. Rupp:

The National Association of State Credit Union Supervisors (NASCUS)¹ appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) concerning NCUA's proposed changes to the Corporate Credit Union Rule, Part 704. Having reviewed the proposal it is our understanding that the changes would benefit the corporate system while maintaining safety and soundness. We support this proposal, however, we continue to urge NCUA to restore diversity and balance to the corporate regulatory system by providing for state law and regulation to provide varying powers for their state-chartered corporates.

The proposed change to the net asset calculation excluding Central Liquidity Fund (CLF) stock subscription from the calculation might encourage corporates to purchase the CLF stock as agents on behalf of natural person credit unions. This in turn would preserve a possible liquidity source for some natural person credit unions which otherwise might have limited alternatives.

The proposed changes to §704.8 making clear that the Weighted Average Life (WAL) calculations includes cash and financial assets clarifies the original intent of the current rule. The proposed rule would also remove WAL violations from the category of violations requiring capital reclassification. We support these changes.

NASCUS' s support of these changes does not diminish our belief that key component of the long term health of the corporate system is the reintroduction of regulatory diversity. We urge NCUA to work with NASCUS and the regulators of state-chartered corporates to achieve that goal.

NASCUS appreciates the opportunity to comment on NCUA's proposed revisions to §704, Corporate Credit Unions. NASCUS and state regulators remain committed to working in partnership with NCUA to ensure the safety and soundness of the credit union system.

¹ NASCUS is the professional association of the 46 state credit union regulatory agencies that charter and supervise the nation's 3,000 state-chartered credit unions.

Please do not hesitate to contact me to discuss our comments further.

Sincerely,

- signature redacted for electronic publication -

Brian Knight
Senior Vice President & General Counsel