



September 29, 2012

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

VIA E-MAIL: regcomments@ncua.gov

RE: Proposed Rule - Maintaining Access to Emergency Liquidity

Dear Ms. Rupp:

Thank you for considering our feedback on NCUA's proposed rule requiring credit unions to maintain access to emergency liquidity. Novation Credit Union is \$95 million in assets and primarily serves the employees of 3M and their family members.

The 2010 interagency guidance relating to emergency liquidity is one example of what other financial institution regulators use to address liquidity concerns. No other regulator has instituted a rule. Financial institutions should be able to make their own decisions as to their emergency liquidity needs based upon their own size, complexity, and circumstances. We urge NCUA to withdraw the proposed rule and let credit unions follow guidance in the area of emergency liquidity.

Limiting credit unions to two sources of emergency liquidity will place an unnecessary burden on credit unions that have established other reliable outlets for emergency liquidity. At the very least, NCUA should recognize the Federal Home Loan Bank system as an accepted option for emergency liquidity. Credit unions should be able to create their own policies for holding other sources of emergency liquidity, such as U.S. Treasuries, cash and other liquid investments.

Thank you for considering our comments.

Sincerely,

Sharon Hansen
Vice President and CFO