

From: [Kenny Harrington](#)
To: [Regulatory Comments](#)
Subject: Kenny Harrington - MemberSource Credit Union - Comments on Proposed Rule - Derivatives
Date: Monday, July 22, 2013 5:47:38 PM

Thank you for the opportunity to provide comments on your Proposed Rule to allow qualifying credit unions to utilize interest rate swaps and caps as an additional tool to manage interest rate risk. We respectfully submit the following comments for your consideration:

- We are in support of authority for credit unions to engage in derivatives transactions as a means to hedge against interest rate risk.
- In general, we oppose the limitation that a credit union must have at least \$250 million in assets. The limit is arbitrary considering all of the additional requirements a credit union will have to adhere to in order to be approved.
- We oppose the fee structure as being too expensive and serving as a barrier to credit unions applying for derivatives authority. Credit unions should not be charged fees to take advantage of a program that will minimize risk to the National Credit Union Share Insurance Fund.
- We oppose the proposed approach that a credit union must comply with a number of the proposed requirements *before* submitting an application to NCUA. Front loading the expense would create a huge start-up cost before a credit union knows if its application will even be accepted.
- We recommend that pilot-program credit unions be allowed to continue with their derivatives program without having to reapply to NCUA.

Thank you for your consideration of our comments.

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