

April 26, 2016

National Credit Union Administration
1775 Duke St.
Board Secretary
Alexandria, VA 22314

RE: Comments on NCUA's OTR and Operating Fee Schedule Methodologies

Dear Mr. Gerard Poliquin,

I am writing on behalf of Atchison Village Credit Union, which serves our housing community, Atchison Village Mutual Homes Corporation. We have 1400 members and 8.4 million dollars in assets. Atchison Village Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its Overhead Transfer Rate Methodology.

As the Chief Executive Officer of a Federally Insured State Chartered Credit Union in California, I am troubled by the increasing financial burden placed on our Credit Union and other state chartered credit unions due to increases in the Overhead Transfer Rate (OTR). I believe that the NCUA Board has an ethical, responsibility to publish and make public the precise calculations used to determine the OTR.

The OTR is meant to cover "insurance related" costs but it appears the NCUA includes all activities related to safety and soundness. State chartered credit unions pay the cost of supervision and safety and soundness examinations in the form of fees assessed by our State Regulator, in California this is the Department of Business Oversight (DBO). This results in state chartered credit unions paying twice for safety and soundness issues and examinations not specifically related to "insurance related" activities. Increases in the OTR over the past several years have provided an unfair benefit to Federally Chartered Credit Unions. I believe the role of the NCUA Board, with regard to the OTR, is to establish a methodology that is consistent and impartial, respecting the dual chartering system. Recent increases in the OTR, which favor Federally Chartered Credit Unions, create questions about the impartiality of the expense allocations.

The recent announcement to delegate management of the OTR to the NCUA staff is troublesome. This action will decrease transparency that is sorely needed in the OTR process.

On behalf of the members and officials of Atchison Village Credit Union, I request the NCUA Board take the following actions with respect to the OTR:

- Submit the OTR as a proposed rule for public comment or establish a structure which allows Federally Insured Credit Unions to provide input and comment on OTR methodology and calculations on a regular basis.
- Make available complete and detailed information and justification regarding OTR determinations and calculations.
- Rescind any actions to delegate OTR determinations to NCUA staff.
- The NCUA Board alone should make all determinations regarding the OTR.

Thank you for the opportunity to comment and for considering my thoughts on NCUA's Overhead Transfer Rate Methodology.

Sincerely,

Nancy Blackstock
Manager/CEO
Atchison Village CU

cc: CUNA, CCUL