



State of Wisconsin
Department of Financial Institutions

Scott Walker, Governor

Jay Risch, Secretary

August 25, 2017

Mr. Gerard Poliquin
Secretary to the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: COMMENTS ON OVERHEAD TRANSFER RATE METHODOLOGY

The Office of Credit Unions (OCU) - Wisconsin is pleased to respond to National Credit Union Administration's (NCUA's) request for comments on the methodology used to establish the Overhead Transfer Rate (OTR).

The OCU supervises 135 federally insured credits unions (FICUs) and over \$33 billion in assets. As NCUA's partner supervising FICUs, and as a prudential regulator with a long history of regulating and supervising credit unions, the OCU believes the proposed revisions to the OTR methodology represent a step in the right direction of restoring an equitable balance to the cost allocations of the National Credit Union Share Insurance Fund (NCUSIF).

The OCU's professional regulators' association, the National Association of State Credit Union Supervisors (NASCUS), has filed an extensive comment letter regarding this proposal on behalf of the state regulatory system. ***The OCU submits this letter in support of NASCUS' comments, in particular those comments addressing the responsibility of the chartering authority.***

As the chartering authority for Wisconsin state-chartered credit unions, it is the OCU's responsibility to ensure that an entity holding itself to its members as a duly authorized credit union is operating in a safe and sound manner. To fulfill our responsibility, the OCU budgeted nearly 18,000 examination hours in 2017. This number does not include the examination of other entities such as Corporate Central Credit Union, wholly-owned credit union service organizations and a shared service center that operates in Wisconsin. It also does not include any office staff time attributed to the examination and follow up process. Office staff includes two supervisory examiners that spend approximately 25-30 hours per week on the supervision of Wisconsin credit unions. NCUA, as the chartering authority for federal credit unions (FCUs) has a similar safety and soundness obligation as the chartering authority.

Office of Credit Unions

Mail: PO Box 14137 Madison, WI 53708-0137
Voice: (608) 261-9543

Courier: 201 W. Washington Ave. Suite 500, Madison, WI 53703
Fax: (608) 267-0479 Internet: www.wdfi.org

Thank you for your consideration. This is an extremely important topic for state-chartered credit unions in Wisconsin and I urge NCUA to thoroughly review the detailed comments submitted by NASCUS. It is imperative that the overhead transfer rate allocation be fair to *all* credit unions so a strong dual chartering system can continue.

Sincerely,

A handwritten signature in black ink that reads "Kim Santos". The signature is written in a cursive, flowing style.

Kim Santos
Director
OFFICE OF CREDIT UNIONS