

August 28, 2017

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

RE: Comments on OTR Methodology

Dear Mr. Gerard Poliquin,

I am the President and Chief Executive Officer of Safe 1 Credit Union, a State Chartered Federally Insured credit union headquartered in California. I am writing on behalf of Safe 1's Board of Directors and 65,000 members in response to the NCUA Board's proposed revision of the Overhead Transfer Rate Methodology.

I want to first complement the NCUA Board and staff on recognizing that the current methodology needs revision. The current policies with regard to the Overhead Transfer Rate unfairly charge Federally Insured State Chartered Credit Union for numerous expenses unrelated to insurance functions. The proposed approach is a much fairer and balanced allocation of examination time and related costs between the NCUA's chartering and insurance-related responsibilities.

I would suggest, however, that (1) the NCUA Board continue to refine the expense allocations to ensure that Federally Insured State Chartered credit unions pay only their fair share of insurance related activities, and (2) that public comments on the Overhead Transfer Rate be sought at least every three years, as a matter of Board policy. These changes would improve transparency and result in a more reasonable and fair allocation of costs in the future.

Thank you for your consideration.

Doug Kileen

Safe 1 Credit Union

Sincerely,

Doug Kileen  
CEO  
Safe 1 CU

cc: CCUL