



**IDAHO**  
DEPARTMENT OF FINANCE

C.L. "BUTCH" OTTER  
Governor

GAVIN M. GEE  
Director

August 29, 2017

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

*Via Email to: [boardcomments@ncua.gov](mailto:boardcomments@ncua.gov)*

Re: Idaho Department of Finance Comments on OTR Methodology

Dear Mr. Poliquin:

Thank you for the opportunity to comment on the National Credit Union Administration (NCUA) Revised Overhead Transfer Rate (OTR) Methodology. The Idaho Department of Finance (Department) strongly endorses the letter sent to you by the National Association of State Credit Union Supervisors (NASCUS), on behalf of the state regulatory system, regarding the proposed OTR methodology.

The Department regulates all state-chartered financial service providers in Idaho except for the insurance industry. This includes supervision of fifteen federally insured credit unions and eight non-federally insured credit unions, with total assets of \$5.26 billion. The largest state-chartered financial institution in Idaho is a credit union: Idaho Central Credit Union with total assets of \$3.2 billion.

As the Department stated in its April 26, 2016 comment letter, the OTR methodology is a matter of significant concern to the Department as a misapplication may disadvantage federally insured state-chartered credit unions in real ways. We believe that the current proposed revisions to the OTR methodology advance our agencies toward an equitable balance in the cost allocations of the National Credit Union Share Insurance Fund.

As the chartering authority for twenty-three state-chartered credit unions, the Department takes seriously its responsibility to endeavor to ensure that they are operated in a safe and sound manner. Toward that end, the Department spent an estimated 5,322 hours examining credit unions in 2016, and have budgeted 4,376 examination hours in 2017. As the chartering authority for federal credit unions, NCUA is similarly obligated. The proposed revised OTR methodology appropriately recognizes this responsibility.

DIRECTOR'S OFFICE

Director – Gavin M. Gee

800 Park Blvd., Suite 200, Boise, ID 83712

Mail To: P.O. Box 83720, Boise ID 83720-0031

Phone: (208) 332-8010 Fax: (208) 332-8097

<http://finance.idaho.gov>

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We again express our appreciation for the invitation to comment on this important issue.

Sincerely,



Mary E. Hughes  
Acting Director of Finance

cc: Lucy Ito, President/CEO, National Association of State Credit Union Supervisors  
Troy Stang, President/CEO, Northwest Credit Union Association