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August 29, 2017

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

Re: Comments on OTR Methodology

Dear Mr. Poliquin:

The North Dakota Department of Financial Institutions (Department) 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 Department supervises 21 federally insured credits unions (FICUs) with \$3.10 Billion in assets. As NCUA's partner supervising FICUs, and as a prudential regulator with 128 year history of regulating and supervising financial institutions, the Department 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 Department'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 Department submits this letter in support of NASCUS' comments, in particular those comments addressing the responsibility of the chartering authority.

As the chartering authority for North Dakota state chartered credit unions, it is the Department'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 Department budgeted 5,400 examination hours in 2017. NCUA, as the chartering authority for federal credit unions (FCUs) has a similar safety and soundness obligation as the chartering authority. That the proposal recognizes that responsibility is appropriate.

Thank you for considering our views on this important matter.

Robert J. Entringer
Commissioner