

**From:** [James Boyd](#)  
**To:** [Regulatory Comments](#)  
**Cc:** [syashewski@cornerstoneleague.coop](mailto:syashewski@cornerstoneleague.coop)  
**Subject:** Comments on Proposed Rule - Derivatives  
**Date:** Thursday, July 18, 2013 5:50:13 PM

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Dear NCUA,

Thank you for the opportunity to provide comments on your Proposed Rule to allow qualifying credit unions to utilize interest rate swaps and caps as an additional tool to manage interest rate risk. As a \$363 million credit union that issues medium to long-term loans in auto and first mortgage markets and funds those loans primarily with deposits, we believe we would benefit from having an additional tool to manage the interest rate risk associated with this activity, but not with this Proposed Rule as written.

You limit participation in such a program via composite CAMEL Code to 1,2, or 3, but then also tack on a requirement that the participating credit union also have a 1 or 2 in Management. Sadly it seems Management is the most arbitrary score assigned to a credit union by an examiner. You had better hope that examiners in the field like this new program or it will go the way of MBL's and wither and die before it gets a chance.

Why is NCUA trying to attach a hefty fee to this procedure? This fee structure seems excessive. Since the ultimate goal here is to limit exposure to the NCUSIF does this mean that everything that does that will now have an excessive attached to it as well?

Why limit participation to credit unions of \$250 million or more? Is it so they can afford the excessive fee required to participate?

Why do credit unions that already participate have to reapply? Is it so NCUA can charge them the new excessive fee?

It seems that credit unions will have to jump through a lot of hoops BEFORE they can apply to participate, thus front loading their cost and then they get to pay an excessive fee and wait to see if they are accepted.

Sincerely,

James Boyd  
President/CEO  
Abilene Teachers FCU

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President / CEO



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