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To: [Regulatory Comments](#)
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Subject: Comments on Proposed Rule - Derivatives
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Thank you for the opportunity to comment on the proposed rule concerning the potential use of derivatives by credit unions as an interest rate risk mitigation tool. Genisys Credit Union supports the authorized use of the types of interest rate swaps proposed. While we understand the Agency's concern in ensuring that derivatives be used responsibly and with expertise, we have concerns about two specific aspects of the proposal.

Fees related to the ongoing supervision from credit unions engaged in derivatives. We believe that by assessing special fees for participating in derivative programs, NCUA would be deterring credit unions from using a valuable risk mitigation tool. It is not equitable to charge those who make responsible use of derivatives to limit risk and have no fees or penalties for credit unions who accept high interest-rate risk exposure without any efforts to mitigate that risk. We understand that additional monitoring and evaluation will be required by NCUA, but charging a fee to implement a beneficial risk mitigation strategy would be counter-productive.

Expertise. We encourage the Agency to consider allowing credit unions to engage outside experts to assist in deploying and administering a derivative program. We certainly agree that the credit union need to fully understand the risks and proper administration of derivatives and believe that the use of qualified third parties can enhance this understanding.

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