



Mr. Gerald Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear Mr. Poliquin

GTE Federal Credit Union is a current investor in the Charitable Lead Trust established by MEMBERS Trust Company and the National Credit Union Foundation. GTE supports and appreciates the proposed rule issued by the Board of the National Credit Union Administration to encourage and promote charitable contributions by credit unions.

The two main points I would like to comment on in this proposal are the maximum investment amount and the required SEC registration.

I. Maximum Charitable Investment (ceiling of capital usage)

We understand risk management requires a cap on an investment to fund charitable contributions but the proposed 3% may create an unnecessary constraint on participation by credit unions. Increasing the limit to 5% of net worth will not impose a safety and soundness issue with participating credit unions. We ask the NCUA Board to consider increasing the maximum charitable investment from 3% to 5% of net worth.

II. Mandating SEC Registration (duplication of regulatory oversight)

As a shareholder of MEMBERS Trust Company and participant in the current charitable lead trust, GTE Federal Credit union has knowledge of the current regulatory oversight provided by the OCC with respect to trust and investment activities of MEMBERS Trust Company, a federal savings bank. Requiring a supervised bank like MEMBERS Trust Company to register with the SEC will cause unnecessary compliance cost as Congress has exempted banks from registration with the Securities and Exchange Commission. (SEC) This cost will be passed on to participating credit unions.

Congress's intent and rationale for the exemption was to delegate the supervisory responsibility of banks to the OCC and not SEC. GTE ask the NCUA Board to recognize this exemption and not require banks to be subject to regulatory oversight from two federal agencies.

We commend the NCUA Board for expanding the authority of a federal credit union to utilize a innovate investment like the Charitable Donation Account to support charitable causes.

Sincerely,

A handwritten signature in blue ink that reads 'Brad Baker'.

Brad Baker
CFO / GTE Financial
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