



Via email: regcomments@ncua.gov

October 21, 2013

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Comment on Proposed Amendments to Rules 703 and 721: Charitable Donation Accounts

Dear Ms. Rupp:

On behalf of Wisconsin's credit unions and their 2.4 million members, The Wisconsin Credit Union League welcomes the opportunity to provide the following comments regarding the NCUA's proposed rule to permit federal credit unions to establish Charitable Donation Accounts. These CDAs, which would primarily benefit tax-exempt charities, will provide an important vehicle for credit unions to give more to the charitable needs in their communities. We appreciate the agency's willingness to include in the rule a provision permitting credit unions to make otherwise prohibited investments, offering higher returns, as long as the majority of those returns are donated to charity.

As to the current proposed rule, we offer the following brief comments:

- We believe the 3% net worth limitation may unnecessarily restrict the benefit of this rule—to the charities that stand to receive donations as well as to the credit unions that wish to donate. We urge the agency to consider a higher cap, such as 5%, that will not risk safety and soundness but will be more supportive of the intent of the rule.
- It appears that in a year when a CDA investment does very well, a credit union may have to divest prematurely because of running up against the cap. This seems counterintuitive of the intent of the rule. If the net worth cap were measured differently—rather than levelly over the duration of the account—this unfortunate outcome might be avoided.
- The language of the rule should be changed to clarify that credit unions can recoup the costs of creating and managing CDAs. Accomplishing these tasks correctly may be expensive, and permitting recoupment of costs will permit and encourage credit unions to take on this worthwhile challenge.

Thank you.

Sincerely,

Joanne R. Whiting
EVP and Chief Advocacy Officer
The Wisconsin Credit Union League