

June 10, 2015

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

Re: Proposed Amendments to 12 CFR Part 704

Dear Mr. Poliquin:

Thank you for the opportunity to comment on the proposed changes to the Corporate Rule Part 704 of the NCUA Rules and Regulations sections §704.2 Definitions and §704.7 Lending. Eastern Corporate Federal Credit Union (EasCorp) is a federally-chartered and insured corporate credit union that provides various correspondent, liquidity and ALM Services to more than 250 credit unions.

EasCorp, along with other corporate credit unions, has been working diligently with the Central Liquidity Facility (CLF) during the past two years toward a goal of supporting the CLF in its efforts to provide emergency liquidity to natural person credit unions. The focus of these efforts was to establish a means for corporates to provide correspondent services, including collateral management, to the CLF. These efforts have resulted in a CLF Correspondent Agreement, which all corporates, including EasCorp, executed in the fourth quarter of 2013.

Although the role of a correspondent is important to the CLF mission, corporates should be able to play another important role in CLF funding. In some instances, a credit union may need funds sooner than the CLF may be able to provide them. When the CLF grants an advance, it “match funds” the advance with borrowing from the Federal Financing Bank (FFB). Because FFB advances may take up to ten business days, corporate credit unions could meet the potential funding needs of credit union prior to the CLF advance. This would take place through the use of CLF-related bridge loans. In order to meet this potential funding need, a few regulatory changes would be required to Part 704. These changes include introducing the term “CLF-related bridge loans” to the definitions of Net Assets and Net risk-weighted assets and providing similar treatment of CLF-related bridge loans as pass-through and guaranteed loans from the CLF and the NCUSIF in calculating loan limitations per credit union.

35 Corporate Drive, Suite 300 • Burlington, MA 01803

781/933-9950 • 800/428-1144

[www.eascorp.org](http://www.eascorp.org)