



Outstanding Value ~ Exceptional Service

July 21, 2017

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

RE: Proposed Rule NCUA-2017-0018-0001 Bylaws; Bank Conversions and Mergers; and Voluntary Mergers of Federally Insured Credit Unions

Dear Mr. Poliquin,

Thank you for proposing updates to voluntary credit union communication requirements and the opportunity to comment on the proposed rules. The decision to discontinue separate credit union operations is a significant permanent change for the merging credit union and its members. I am supportive of improving the open disclosure of the impact on member services and the financial arrangements involved. CoVantage Credit Union is mindful of the service needs of the inherited members, and is open to continue taking part in credit union mergers where it is advantageous to members of both the merged and surviving credit unions.

MERGER-RELATED FINANCIAL ARRANGEMENT and COVERED PERSON

In my opinion it would be appropriate to mirror the reporting requirements in IRS 990 Part VII of Compensation of officers, directors, trustees, key employees, and highest compensated employees to identify 'covered persons'. Varying the number of covered persons by credit union size would be inherently addressed. Starting with the 990 filing in the tax year before the proposed merger, baseline pay and benefits would already be determined and would serve as a verifiable alternate data source.

In general, I support the concept of full disclosure concerning merger-related financial arrangements. I support the reporting threshold of the greater of 15% or \$10,000 in increased merger-related financial arrangements as compared to the baseline compensation of the previous tax year. Reporting the covered persons for which the increased compensation threshold is crossed would be a reasonable way to focus on relevant financial arrangements without burdensome preparation. Looking back to earlier dates would provide minimal additional information and could be burdensome, especially if not aligned with the tax year or calendar year.

TIMING REQUIREMENTS FOR MEMBER NOTICE and CONTENTS OF MEMBER NOTICE

As stated above I am also supportive of the desire to improve member communications. Specifically, I would support clear communications that include: proposed acquiring name, statement of ongoing

services including hours, net worth disposition if applicable, and member voting time and place. However, in our experience, a 7-day minimum notice for a special meeting would be too short to facilitate appropriate member notification and member-to-member communications. Instead, the 30-day minimum notice for annual meetings described in the proposal is more reasonable given the organizational impact on the merging credit union and its members. Summary statements in each of the previously suggested areas are preferred in the member notices over in-depth descriptions and/or references to enclosures.

MEMBER-TO-MEMBER COMMUNICATIONS

Proposed member-to-member communications appear to be overly burdensome and can have a profoundly, unintended impact on facilitating voluntary credit union mergers.

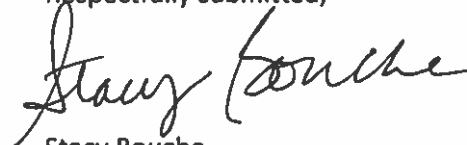
The proposal requiring prior approval from the regional director or director of Office of National Examinations and Supervision before management can respond to false or misleading member communications inhibits timely clarifying and corrective responses. This section also introduces a level of bureaucracy that would ultimately add cost to consumers. For this reason, I oppose the recommendations made in the member-to-member communications section. I believe the special membership meeting is a fair and transparent way to encourage an open exchange of ideas and discussion before a vote.

OTHER

Finally, subject to comments provided herein, I support the notion that all federally insured state chartered credit unions be subject to the same rules to which federally chartered credit union are bound regarding voluntary mergers with other credit unions.

Thank you for the opportunity to comment on proposed rules related to voluntary mergers of credit unions.

Respectfully submitted,

A handwritten signature in black ink that reads "Stacy Bouche". The signature is written in a cursive, flowing style.

Stacy Bouche

VP Chief Mortgage Lending Officer