



# Southeast Financial

Credit Union

August 9, 2017

Gerald Poliquin, Secretary of the Board  
National Credit Union Administration

RE: Comments on Proposed Amendments to 12 CFR Part 704 – Corporate Credit Unions

I am a State-Chartered Credit Union, Chief Executive Officer. I also have the privilege of serving as the Chairman of the Board of Directors of Volunteer Corporate Credit Union, where I have been a board member for the past seven years. I want to thank the National Credit Union Administration (NCUA) for its leadership role and its efforts in creating guidance and regulation to provide accountability and stability in our Corporate Credit Union system. Surviving the economic downturn was crucial, and I appreciate the NCUA and its Board in helping the industry protect itself from the crisis and build a stronger future. The regulation created provided a roadmap for stability, confidence and a bright future.

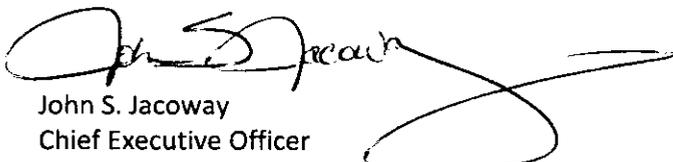
I commend Volunteer Corporate Credit Union, as well as the other corporates, for their efforts and ability to provide members with services and support for the natural personal Credit Union industry, especially through all the economic uncertainty we have seen over the last decade. Being a board member of the Vol Corp, I am especially proud of the effort, knowing the challenges the corporates faced themselves.

I also applaud the NCUA's attempt to now amend the regulation, updating it helps the Credit Union corporate industry compete, grow and thrive. The new proposed regulation helps match regulatory principles with generally accepted accounting principles (GAAP) and other financial measurements within the industry, providing greater transparency to real capital adequacy. It helps put our industry on a level playing field, allowing us to grow and succeed well into the future. Being a CPA, I applaud the NCUA's attempt to align regulation with GAAP and simplify the entire rules environment, helping to marry regulation with practical accounting application.

I also agree with 2.5% retained earnings ratio goal. I do believe that retained earnings is critical to the health of the corporate system, providing a cushion prior any losses to perpetual contributed capital (PCC). In addition, it is also the first layer of insulation to help protect the share insurance fund.

The proposed changes are welcomed. They are much needed to help create equal footing with other sectors in the financial industry. They should serve to benefit the corporate Credit Union network, and thus, serve to benefit the entire Credit Union industry.

Respectfully,



John S. Jacoway  
Chief Executive Officer  
Southeast Financial Credit Union