



Filed via email to regcomments@ncua.gov

September 29, 2017

Mr. Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

***Re: Notice of Proposed Rulemaking on Emergency Mergers-Chartering and Field of Membership;
RIN 3133-AE76***

Dear Mr. Poliquin:

The Illinois Credit Union League is the primary association for nearly 300 state and federally chartered credit unions throughout the State of Illinois, who in turn serve over 3.5 million consumers. We thank you for the opportunity to comment on the National Credit Union Administration (NCUA) Notice of Proposed Rulemaking (NPRM), regarding the Emergency Mergers-Chartering and Field of Membership of federally insured credit unions. The NPRM outlines changes to the forecast period used to determine if a federally insured credit union is “in danger of insolvency” allowing the emergency merger of the federally insured credit union to take place before it is no longer feasible, thus preserving the National Credit Union Share Insurance Fund (NCUSIF) and credit union services for its members.

I. The Board proposes to lengthen by six months the “forecast horizons,” the time periods in which NCUA projects a credit union’s net worth for determining if it is in danger of insolvency.

We support NCUA’s proposal to extend the forecast horizon by six months to determine when a credit union is in danger of insolvency. We agree that making this decision before a credit union becomes critically undercapitalized will allow the struggling credit union to merge and maintain all services for its members. Based on the data provided in the NPRM, extending the forecast period will allow credit unions that are in danger of insolvency to merge sooner, in turn reducing the number of credit unions that deteriorate to the point where it is no longer a viable merger partner. In addition, the desire to preserve the NCUSIF will help federally insured credit unions avoid additional premium cost due to the funds depletion.

II. The Board proposes an addition of a fourth category to the definition which provides that a credit union would be considered in danger of insolvency if it had been granted or received assistance under Section 208 of the FCU Act in the 15 months prior to the Region’s determination that the credit union is in danger of insolvency.



We support the Board’s proposal to add a fourth category to the definition of in danger of insolvency to include those credit unions that have been granted or received assistance under Section 208 of the FCU Act in the prior 15 month period. We believe the data provided in the NPRM illustrating the number of credit unions that stopped filing call reports prior to or within 15 months of receiving assistance is a powerful argument for adding the additional category. However, we ask that the NCUA exhaust all efforts to assist credit unions receiving assistance to regain strength. We suggest that the NCUA research the methods used by the credit unions that survived after receiving assistance and use that information to help others.

III. The Board proposes to make a technical spelling correction.

We support the Board’s desire to address the technical spelling error in the first category of the definition replacing the word “relay” with the word “rely”. This adjustment will provide clarity when interpreting the rule.

IV. Conclusion

We support the NCUA’s desire to extend the forecast period used to determine when a credit union is in danger of insolvency. This change will allow the credit union to merge before a merger is no longer a viable option. As a result, its members will maintain credit union services as well as a safe place to conduct their financial business. In addition, we believe preservation of the NCUSIF will help avoid additional premium expense for federally insured credit unions. In our current environment the number of credit unions available to serve members continues to decrease. Identifying a struggling credit union and allowing it to merge is more desirable than total liquidation. However, we ask that the Board continue to exhaust all options to preserve the existence of a troubled credit union before a merger is considered.

We thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Shannon Basile".

ILLINOIS CREDIT UNION LEAGUE

By: Shannon Basile
Compliance Analyst

