



OHIO CREDIT  
UNION LEAGUE

September 29, 2017

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

Re: Request for Public Comment Regarding Emergency Mergers-Chartering and Field  
of Membership  
RIN: 3133-AE76

Dear Mr. Poliquin,

The Ohio Credit Union League (OCUL) welcomes the opportunity to submit comments concerning the National Credit Union Administration's (NCUA) proposed changes to Rule 701.

OCUL supports the proposed changes to amend the Field of Membership Manual to expand the term "in danger of insolvency" for emergency merger purposes. NCUA mitigates costs of credit union failures to National Credit Union Share Insurance Fund by finding appropriate merger partners for at-risk credit unions. Under the Federal Credit Union Act, the Board may allow a credit union to merge if it is in danger of insolvency. The act does not define when a credit union is in danger of insolvency; however, NCUA does.

OCUL agrees that the definition of "in danger of insolvency" should be expanded to lengthen the forecast horizons so that NCUA is able to capture more credit unions that are in danger of insolvency earlier in their decline. We agree with the following changes:

- Credit unions will be deemed in danger of insolvency if the future net worth will decline at a rate that will render the credit union insolvent within 30 months, rather than 24;
- Credit unions will be deemed in danger of insolvency if the future net worth will drop below two percent (critically undercapitalized) within 18 months, rather than 12; and
- Credit unions will be deemed in danger of insolvency if the credit union has been granted or received assistance under section 208 of the Federal Credit Union Act in the 15 months prior to the determination, adding a fourth category to the definition.

We respectfully request that NCUA adopt the proposed rule. We applaud the agency's proposal to implement common-sense regulations that benefit the cooperative financial movement. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at 800-486-2917.

Respectfully,

Paul L. Mercer  
President

Miriah Lee  
Manager of Policy Impact



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