



September 28, 2017

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

Re: Cornerstone Comments Proposed Rule 701, In Danger of Insolvency Definition - RIN 3133-AE76

Sent via email to: regcomments@ncua.gov

Dear Mr. Poliquin:

This letter represents the views of the Cornerstone Credit Union League ["Cornerstone"] in response to the National Credit Union Administration's ["NCUA"] proposed revisions to the emergency merger rule. Cornerstone is the official trade association serving 520 federal and state credit unions in Arkansas, Oklahoma, and Texas combined, and more than 8.1 million credit union members. Cornerstone appreciates the opportunity to comment on this very important issue.

Cornerstone generally supports the proposal which would refine the current definition of the term "in danger of insolvency" by extending certain forecast horizons (where the credit union's net worth is expected to either become insolvent or drop below 2% net worth ratio, from 24 to 30 months and 12 to 18 months respectively) and adding fourth category for credit unions assisted under section 208 of the Federal Credit Union Act in the 15 months prior. The credit union system will benefit by protecting net worth, improving merger prospects, and mitigating costs to the National Credit Union Share Insurance Fund.

The proposal seeks to permit supervisory mergers in cases where such mergers are not only necessary to preserve asset value, but will also maintain the fields of membership of both credit unions, guaranteeing fair and widespread consumer access to the financial services offered through credit unions. The proposal would permit NCUA to act decisively at an earlier stage of resolution than current regulation permits, at a time when more assets can be salvaged and liquidity preserved for the benefit of member-owners.

However, Cornerstone opposes aspects of a rule change that would result in rigid guidelines forcing credit union mergers.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Suzanne Yashewski'.

Suzanne Yashewski
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