

August 09, 2017

National Credit Union Administration
1775 Duke St.
Secretary of the Board
Alexandria, VA 22314

RE: Comments on Stabilization Fund Closure

Dear Mr. Gerard Poliquin,

I am writing on behalf of West Community Credit Union, which serves communities in St. Louis and Columbia Missouri. We have approximately 20,000 members and \$200 million in assets. West Community appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its notice regarding Closure of the Temporary Corporate Credit Union Stabilization Fund and setting the Share Insurance Fund normal operating level.

First, I strongly agree that NCUA has the authority to close the fund and believe it is the correct action to take. During the financial crisis, capital was removed from credit unions to insulate the tax payer from financial distress within the system. Fortunately, today, some of this capital remains and is no longer needed in this capacity. These funds should be returned as soon as possible, which will allow credit unions to present a more accurate financial picture (that of a stronger and more sound system), as well as provide the necessary flexibility to make business decisions to invest in long-term, sustainable practices.

Second, I disagree with the NCUA's suggestion that the NCUSIF operating target for its equity ratio should be increased due to past events. On the surface, this appears to be a "money grab" and opportunistic, and not really based on risk currently in the system or a sound understanding of the nature of past events, much of which cannot occur again due to systemic changes in the banking laws and Corporate Credit Union regulations. In fact, an additional 9 basis points would not have mattered during the Great Recession, as the TCCUSF would have still been needed to protect the system. It can also be argued that withholding capital from credit unions puts the system MORE at risk by forcing credit unions to make less competitive decisions by avoiding investments in technology, people and other sustainable business practices. Sometimes the result that is desired and the approach being taken can actually cause more damage. Increasing the operating level would more likely cause negative impact in the long-run than any truly beneficial risk mitigation.

Thank you for the opportunity to comment. I trust you will be able to implement closeout of the TCCUSF without increasing the operating levels and continue to confidently oversee a strong credit union system. My recommendations I believe are best for credit unions and their members.

Sincerely,

Jason Peach
President/CEO
West Community CU

cc: CCUL