



August 10, 2017

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

Dear Mr. Poliquin,

On behalf of United Federal Credit Union, I am writing to you regarding the National Credit Union Administration's proposal to close the Temporary Corporate Credit Union Stabilization Fund (Stabilization Fund) and raise the National Credit Union Share Insurance Fund's (SIF) normal operating level to 1.39 percent. I had the opportunity to view NCUA's webinar on August 9, 2017 and I appreciated the opportunity to learn more about the proposal.

While I support NCUA providing rebates to credit unions as soon as possible, I am concerned with NCUA's proposed approach to this issue. Specifically, markedly increasing the NOL will divert millions of dollars that rightfully should be returned to the industry. Increasing the NOL from 1.30 to 1.39 percent would reduce the rebate from approximately \$1.5-1.7 billion to \$600-800 million. A partial rebate is not acceptable; credit unions have already paid for the financial crisis and are entitled to a full rebate.

The current NOL of 1.30 percent is sufficient to weather economic downturns; it sufficed during the financial crisis, which was the greatest economic downturn since the Great Depression. It certainly stands to reason the NOL does not need to be raised by 5 basis points to allow the SIF to withstand a moderate economic recession. Additionally, the transfer of assets from the Stabilization Fund to the SIF would likely offset the additional liabilities of the NCUA Guaranteed Notes (NGN), thereby negating the need to increase the NOL by 4 basis points as proposed by NCUA.

Finally, if the NCUA Board raises the NOL now, there is no guarantee that the Board will return it to a normal operating level. There is no provision in NCUA's proposal for unwinding the increase in the NOL. Even after the NGN program has ended in 2021, credit unions would have no assurance that the NCUA Board would return the NOL to 1.3 percent at that time.

Thank you very much for the opportunity to comment on this proposal regulation. While I appreciate the agency's dedication to return funds to credit unions, I believe a full rebate is critical to a Stabilization Fund disposition strategy. If I can be a source of any further information, please do not hesitate to contact me at [torourke@unitedfcu.com](mailto:torourke@unitedfcu.com) or by phone at (269) 235-0406.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry O'Rourke", written over a light blue horizontal line.

Terry O'Rourke  
President and CEO