



September 5, 2017

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

Re: Requirements for Insurance; National Credit Union Share Insurance Fund Equity Distributions

Dear Mr. Gerald Poliquin,

On behalf of GECU, the largest locally owned state-chartered credit union in El Paso, TX, this letter is in response to the request for comments regarding the National Credit Union Administration's (NCUA) proposed rulemaking addressing the National Credit Union Share Insurance Fund (NCUSIF) Equity Distributions. GECU currently serves a membership of over 364,000 with assets greater than \$2.6 billion. We appreciate the opportunity to comment on the proposal to amend the method for determining Federally Insured Credit Union's (FICU) proportionate share of a NCUSIF equity distribution.

We agree with the NCUA's proposal to calculate a FICU's proportional share of NCUSIF equity distributions using the average of the four-quarter end insured share balances reported on the Call Report during the calendar year applicable to a NCUSIF equity distribution. The use of insured shares in place of a credit union's capitalization deposit will ensure that all credit unions are being treated equitably. The Four Quarter Average Insured Shared method accounts for seasonal impacts on share flows.

We agree with the NCUA's proposal that the Last-In, First-Out (LIFO) method of calculating equity distributions related to the Corporate System Resolution Program. We agree that the use of the LIFO method would meet the Federal Credit Union Act's requirement to "effect a pro rata distribution." Also, it would be most beneficial if credit unions receive equity distributions for their most recent corporate assessments first, which would cover the larger assessments. However, if the NCUA is open to other options, perhaps another approach may be a distribution based on a calculation of total assets made by each credit union.

We appreciate the opportunity to comment on this proposal and the agency's dedication to return funds to credit unions; we believe these proposals are the most equitable treatment under the circumstances. We have submitted an additional comment letter for the proposal addressing Closing the Temporary Corporate Credit Union Stabilization Fund and Setting the Share Insurance Fund Normal Operating Level.

If you have questions regarding our comments, please contact me at (915) 774-8203.

Sincerely,

A handwritten signature in black ink, appearing to read "Crystal Long", is written over a light blue horizontal line.

Crystal Long  
President/CEO

CL: dp