

# LAN-FAIR FEDERAL CREDIT UNION

## LANCASTER AREA

926 Prestige Boulevard  
Lancaster, OH 43130-9669  
Telephone: 740-654-2886  
Fax: 740-654-5011

## Hours

9:30 to 4:45 Monday-Thursday  
9:30 to 5:30 (Lancaster Drive-Up Window until 6:00) Friday

## PICKERINGTON AREA

35 West Columbus Street  
Pickerington, OH 43147-1255  
Telephone: 614-834-5610  
Fax: 614-834-5687

August 30, 2017

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

Dear Mr. Poliquin:

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

From 2009 through 2013, Lan-Fair Federal Credit Union was assessed \$68,576.94 in NCUSIF premiums and \$233,962.01 for TCCUSIF premiums for a total of \$302,538.95. Had we not been assessed those costs, our equity would be .6% higher today. We suspect that our experience is typical of many natural person credit unions. Since, the assessments were necessary because of the Corporate Credit Union emergency, overcharged assessments should be refunded.

Those premiums, whether directly or indirectly, were related to the fallout as a result of Corporate Credit Union failures. Some natural person credit union failures were caused by the assessment burden resulting from the corporate failures. The hardship placed on natural person credit unions has been acknowledged by NCUA. Most survived the hardship while others did not survive.

The assessments were evidently more than needed. The over assessment may have been due to an incorrect calculation of probable losses, a change in interest rates, a change in economic conditions, panic, a good job in collecting funds, or other reasons. We will likely never know for sure.

In any case, it is the opinion of the Lan-Fair Federal Credit Union Board of Directors that TCCUSIF funds assessed credit unions in excess of the amount required be fully and equitably refunded to the surviving assessed credit unions.

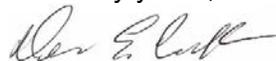
We believe this simple calculation for the distribution would satisfy most credit unions.

*(amount assessed a single credit union / total amount assessed surviving credit unions)(funds to be distributed)*

We are also opposed to increasing the Share Insurance Fund's equity ratio to 1.39 percent from the current 1.30 percent. The NCUSIF assessments in 2009 and 2010 were largely necessary due to the corporate credit union failures that impacted natural person credit unions. The NCUA Board demonstrated its authority to assess those years and can do so in the future should the NCUSIF fund becomes impaired.

If the purpose of the NCUSIF equity ratio increase is to provide a cushion in the event that the anticipated outcome of the TCCUSIF is wrong, we would suggest leaving an amount in excess of the 1.30 percent to cover the unanticipated issues. However, if not needed for TCCUSIF issues, we trust that the funds would be refunded rather than to be used to subsidize NCUA operations.

Sincerely yours,



Dennis E. Croft, Treasurer

c Lan-Fair FCU Board of Directors