From:	Jim Burns
To:	_Regulatory Comments
Subject:	Comments on Requirements for Insurance; National Credit Union Share Insurance Fund Equity Distribution
Date:	Tuesday, September 05, 2017 3:37:17 PM

NCUA,

Jersey Shore FCU appreciates the opportunity to submit comments concerning the National Credit Union Administration's plan to close the Temporary Corporate Credit Union Stabilization Fund. Our credit union recognized the need for the establishment of the corporate stabilization fund during the recent recession and applauds the effort of the regulatory agency effort to recover the lost funds and repair the financial damage incurred by our industry. Now it is time to try and pay back the credit unions who assisted in this effort by returning their assessments as quickly and equitably as possible.

JSFCU is in complete agreement with the NCUA closing the Temporary Corporate Credit Union Stabilization Fund (TCCUSF or Stabilization Fund) as soon as possible.
We also agree with the process of closing the Stabilization Fund in 2017 by merging it into the Share Insurance Fund so that in early 2018, so we as credit unions can receive a return of excess equity above the NCUISF normal operating level.
As noted we fully understand the reason for the Stabilization Fund and that it was to enable credit unions to pay for the cost of corporate resolution in manageable annual installments rather than all at once. Since those costs have all been fully covered, and then some, there is no reason for the Stabilization Fund to continue.

JSFCU agrees that the normal operating level should be raised to account for the legacy asset volatility that would be added to the NCUISF as a result of merging the funds. However JSFCU feels that the increase in normal operating level should account for the legacy assets only which would equate to an increase of 4 basis points to a normal operating level of 1.34%. We recommend that the NCUA merge the two funds in 2017, increase the normal operating level by 4 basis points to insulate the Share Insurance Fund from legacy asset volatility, and distribute all excess equity in the Share Insurance Fund to us as federally insured credit unions on an equitable basis as soon as possible in 2018. It is far better to return the excess funds to us as credit unions today that will enable us to better serve our members. It is very conservative to have the NCUA take the position of retaining excess funds in the NCUSIF to avoid the possibility of uncertain premiums rather than taking the position of returning those excess funds to us a credit unions and charging small premiums in the future if necessary.

In regards to the method of distribution JSFCU is in agreement with the NCUA's preferred method of using the Four Quarter Average of Insured Shares method. We feel this is equitable and will account for the asset fluctuation as opposed to using one set time period. The application of the distribution we believe should be on the FIFO approach as we see the largest assessments were at the beginning of the crises when the severity of the potential losses was more uncertain as compared to the later years when the assessments were based on a more clearer understanding of the severity of the potential losses.

JSFCU appreciates the opportunity to express its views on the closing of the Temporary Corporate Credit Union Stabilization Fund.

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