



September 1, 2017

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

Re: NCUA Proposals to Close Temporary Corporate Credit Union Stabilization Fund and Increase Share Insurance Fund Normal Operating Level

Dear Mr. Poliquin:

On behalf of Chevron Federal Credit Union, I am writing to you regarding the National Credit Union Administration's proposal to (1) close the Temporary Corporate Credit Union Stabilization Fund (Stabilization Fund) and transfer the assets to the National Credit Union Share Insurance Fund (SIF) and (2) raise the SIF's normal operating level (NOL) to 1.39 percent.

We disagree with both proposals.

First, the Stabilization Fund was established for the clearly stated purpose of funding the costs associated with the corporate credit union failures. If NCUA believes the mission of the Stabilization Fund has been completed, then a resolution is self-evident: dissolve the Stabilization Fund and return any excess funds directly to the credit unions that supplied them. No diversion of such funds for any other purpose can be justified. Chevron Federal Credit Union contributed \$8.7 million to the Stabilization Fund on top of writing off \$3.1 million in corporate credit union capital stock. This money belongs to our members. They are entitled to any recoveries in full.

Second, we do not believe NCUA has presented a compelling justification to raise the NOL to 1.39% at the present time. Just as NCUA cautions credit unions against holding reserves that exceed documented needs, we offer the same counsel to NCUA. The current NOL of 1.30% was sufficient to weather the greatest economic downturn since the Great Depression; no convincing reason has been presented to support a higher NOL.

NCUA has expressed its aspiration to be transparent in its oversight and guidance. We believe neither of the above referenced proposals promotes such transparency.

Thank you for the opportunity to express our opinions on NCUA's proposals.

Sincerely,

Janet Lee
Executive Vice President and Chief Financial Officer