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September 5, 2017

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

RE: Closing the Temporary Corporate Credit Union Stabilization Fund and Setting the Share Insurance Fund Normal Operating Level
Notice and Request for Comment

Dear Mr. Poliquin:

SECU is an NCUA insured Maryland state-chartered credit union managing over $3.3 billion in assets. SECU provides a broad line of financial products and services to over 245,000 members and is the largest credit union based in Maryland.

We appreciate the opportunity to submit the following comments on the NCUA's proposal on Closing the Temporary Corporate Credit Union Stabilization Fund and Setting the Share Insurance Fund Normal Operating Level.

Please consider the following comments:

Proposal to Close the Temporary Stabilization Fund

In your notice, you propose to close the Corporate Credit Union Temporary Stabilization Fund since it is now possible for the remaining obligations of the Corporate System Resolution Program to be borne by the Share Insurance Fund. As NCUA stated in the notice, if the Temporary Corporate Credit Union Stabilization Fund is closed in 2017, it would have been in operation about one year longer than the seven years originally provided for. We agree that NCUA has the authority to close the fund and we believe it is the proper action to take at this time.

Proposal to Raise the Normal Operating Level to 1.39 Percent

In connection with closing the Temporary Corporate Credit Union Stabilization Fund, you are proposing to raise the Normal Operating Level of the Share Insurance Fund from 1.30 percent to 1.39 percent due to concerns that the Share Insurance Fund's assumption of assets and liabilities of the Temporary Corporate Credit Union Stabilization Fund will introduce additional risk of volatility to the Share Insurance Fund's equity ratio.

SECU does not support this proposal to increase the Normal Operating Level to address an uncertain potential future risk. We believe the capital that was previously removed from credit unions for the Temporary Corporate Credit Union Stabilization Fund should now be returned so that credit unions can deploy the capital to better serve members and to attract new members, add additional products and services, enhance technology, and improve credit unions financial condition. The economy in Maryland is continues to grow a moderate pace and SECU members are looking to increase lending activity. The proposed 0.09% increase in the insurance fund, if returned to SECU, would greatly enhance the credit union's ability to serve members. In addition, SECU is investing significant capital in mobile banking technology to ensure the future of the credit union. Maintaining the normal operating level of the insurance fund at 1.30% would better enable SECU to compete with much larger financial institutions in regards to technology. If the economy does fall into recession in future years, we believe any shortfalls in the insurance fund can be addressed at that time. The NCUA has gone to great lengths over the past several years to enhance the examination process in credit unions so there should be much less risk to the insurance fund during future economic slowdowns.

In conclusion, we applaud NCUA's proposal to close the Temporary Corporate Credit Union Stabilization Fund and return of excess equity through a distribution from the Share Insurance Fund. However, we do not support an increase in the Normal Operating Level.

Thank you for your review of our comments. We look forward to receiving your response in the final rule.

Sincerely,

Steven L. Arbaugh, Chief Financial Officer