

From: [Don Johnson](#)
To: [Regulatory Comments](#)
Subject: Requirements for Insurance; National Credit Union Share Insurance Fund Equity Distributions
Date: Friday, September 01, 2017 3:20:26 PM
Attachments: [image003.png](#)

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

Dear Mr. Poliquin:

I appreciate the opportunity to comment on NCUA's proposal to return a portion of the TCCUSF assessments through the merger of the Corporate System Resolution Program fund with the National Credit Union Share Insurance Fund (NCUSIF). I wholeheartedly support the return of these funds as soon as possible under the LIFO rebate method that has been proposed.

What I cannot support is the increase in the NOL to 1.39%. I have seen no justification for an increase of this magnitude. Based on the performance of the legacy assets it seems unlikely such an increase is warranted. If we, as a credit union, decided to put aside additional loan loss reserves just because we might have additional losses in the future, an examiner would argue such a provision may not be in the best interest of members. The same argument would apply here. The proposed rebate represents a substantial sum to a credit union of our size (\$113 million) and returning these funds will allow us to invest them in ways that enhance our earnings and benefit our members. In addition, NCUA has shown an exceptional ability to manage the NCUSIF at its current capitalization level as evidenced by the fact there have been no special assessments over the past several years.

During the financial crisis, credit unions came to the rescue of NCUA over what many would consider NCUA's poor oversight of the corporate credit union system. The vast majority of credit unions did nothing to create this crisis yet we banded together, as is our cooperative nature, and provided NCUA with funding required to unwind the corporate credit union mess. Hopefully, NCUA will show its gratitude for our support by returning the maximum available amount of Corporate System Resolution Program funds as quickly as possible. Hopefully NCUA will be able to offer additional rebates as the remaining pieces of the program unwind over the next few years and it only seems fair NCUA maintain the current NCUSIF capitalization level until the need for an increase can be substantiated.

Thank you for the opportunity to provide my input.

Sincerely,

Don Johnson
President & CEO
Advantage Financial Federal Credit Union

PO Box 50480 Washington, DC 20091

P: 800.822.6875 x 1345

F: 202.737.2992

NMLS#786157

www.advcu.org

www.facebook.com/advcu

