



August 31, 2017

**Via: Electronic Mail**

Gerard Poliquin  
Secretary to the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3425

boardcomments@NCUA.gov

Dear Mr. Poliquin:

**Comment Re: NCUA Board proposal to merge the TCCUSF into the NCUSIF and distribute recovery surplus to credit unions.**

My name is Debra Hickman and I am the Organizational Development Coordinator for CALCOE Federal Credit Union located in Yakima, WA. Our credit union has 3,900 members and \$29,000,000 assets as of June 30, 2017.

During the corporate crisis, we paid premiums of over \$98,000 to fund the losses in the TCCUSF. In addition, we wrote off \$169k in capital in SW Corporate Credit Union.

I am pleased the NCUA board has solicited credit union comment, presented your staff's rationale, and asked our views before acting. This has not occurred in any of the previous board decisions regarding the TCCUSF or the NCUSIF's financial decisions. **As a NCUSIF owner, we want to provide our voice in how the funds are managed.**

We believe NCUA's proposal to merge the TCCUSF fund into the NCUSIF to accelerate payback of recoveries is a good first step.

However, the board and I have deep concerns about the way NCUA staff suggested this be carried out.

1. **There is no reason to withhold any of the recoveries from the TCCUSF** as of December 2017 (estimated at \$2.2-\$2.4 billion). These are funds sent for a single purpose and should not now be diverted to other contingencies or uses. This is in keeping with NCUA's own statements that recoveries would be returned to credit unions.
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NCUA's 2016 yearend audit states that "loss contingencies are recorded when it is probable that

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a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated." No such evidence of a loss contingency was presented to withhold over \$400 million of TCCUSF recoveries by raising the NOL.

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4. **The cause for the potential decline in the NOL is NCUA's operating expenses, not losses.** Today, NCUA is charging over 72% of its operating expenses to the NCUSIF (up from 52% in 2008). This transfer of costs now uses up more than 90% of the NCUSIF investment income.

If the NOL declines due to this event or any other contingency requiring a premium to stay within the normal operating range of 1.2-1.3% then the board should then come to credit unions with the facts supporting such a request.

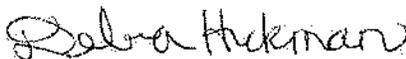
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If this separation cannot be accomplished, then that would undermine our support for a merger. We, in fact, routinely keep separate accounts in our records for losses and costs for different asset classes.

Our credit union welcomes NCUA's initiative to windup a resolution that has now gone on for almost a decade. We hope that this will also facilitate a process where credit unions and NCUA can now begin to objectively assess what went well and what did not turn out as predicted. For if we fail to learn from this largest of all credit union difficulties, then our losses will be even more than the monies lost.

Sincerely,



Debra Hickman  
Organizational Development

Cc: Troy Stang, President CEO of NWCUA  
Senator Patty Murray  
Senator Maria Cantwell  
Congressman Dan Newhouse



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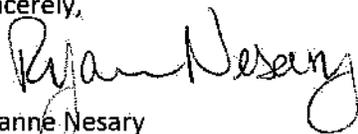
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Ryanne Nesary  
Admin Assistant/Marketing Specialist

Cc: Troy Stang, President CEO of NWCUA  
Senator Patty Murray  
Senator Maria Cantwell  
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Dear Mr. Poliquin:

**Comment Re: NCUA Board proposal to merge the TCCUSF into the NCUSIF and distribute recovery surplus to credit unions.**

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Kim Boyd  
Member Services Representative II

Cc: Troy Stang, President CEO of NWCUA  
Senator Patty Murray  
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Congressman Dan Newhouse



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My name is Ana Alvarado and I am a Member Services Representative for CALCOE Federal Credit Union located in Yakima, WA. Our credit union has 3,900 members and \$29,000,000 assets as of June 30, 2017.

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Ana Alvarado  
Member Services Representative

Cc: Troy Stang, President/CEO of NWCUA  
Senator Patty Murray  
Senator Maria Cantwell  
Congressman Dan Newhouse



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**Comment Re: NCUA Board proposal to merge the TCCUSF into the NCUSIF and distribute recovery surplus to credit unions.**

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Sincerely,



Isaac Arredondo  
Loan Officer

Cc: Troy Stang, President CEO of NWCUA  
Senator Patty Murray  
Senator Maria Cantwell  
Congressman Dan Newhouse



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Cc: Troy Stang, President CEO of NWCUA  
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Kelly Meyer  
Mortgage Loan Officer

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