



CREDIT UNION

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September 1, 2017

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

Subject: Comments on the Stabilization Fund Closure and Share Insurance Fund Normal Operating Level

Dear Mr. Poliquin:

The Connecticut State Employees Credit Union appreciates the opportunity to comment on the Stabilization Fund Closure and Share Insurance Fund Normal Operating Level (NOL). Whereas we believe it is important for the NCUA to protect the insurance fund it must not do so to the extent that credit unions and their members are negatively impacted.

Comment

There is little justification to manage the NOL at the high end of the perceived appropriate range. Risk can be properly managed at a level considerably less than 1.39%.

NCUA has worked diligently to have those most responsible for the loss of corporate credit union capital to pay the appropriate restitution, the issuers of mortgage backed securities. We applaud your efforts to provide a rebate of a portion of the corporate resolution special assessment. Your judgment that the fund has served its purpose is correct.

Recommendations

We believe an NOL which would address a moderate recession would be most appropriate. The NCUA does not need to maintain the NOL at an amount sufficient to address a severe recession. The level of reserves should not exceed 1.3%.

We also recommend that this is the appropriate time to rebate estimated excess reserves back to the credit unions that paid the assessment. These funds will be used to fortify balance sheets, enrich members and provide funding for worthy improvements such as cyber security.

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Respectfully,

Daniel R. Daigle
Chief Executive Officer