



August 31, 2017

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

RE: NCUA's proposal to close the temporary corporate credit union stabilization fund and set the share insurance fund normal operating level.

Dear Mr. Poliquin,

I am writing to you on behalf of Peninsula Community Federal Credit Union; located in Washington State with assets of \$175 million.

I support the decision to close the Stabilization Fund prior to the 2021 date since the fund has reached a net positive position of \$1.9 billion. The distribution of the some of the stabilization assessments to Credit Unions would be well received. I do however oppose taking the stabilization funds and merging them with Share Insurance Fund. The TCCUSIF and the NCUSIF have been and should remain two separate entities and serve two very separate purposes. The TCCUSIF funds that are no longer needed to secure senior creditor obligations should be returned to the credit unions.

As like all Credit Unions we were significantly impacted by the collapse of the Corporate Credit Unions. We wrote off a total of \$797,444 in membership capital and paid \$813,138 in TCCUSIF premiums. Our net capital fell from 8.39% as of 12/31/2008 to 7.26% as of 12/31/09. This nearly brought our credit union below the well capitalized level of 7%. I think it is only fair that CU's get their fair share back now.

The raising of the normal operating level (NOL) to 1.39% is concerning. I have to ask is NCUA putting too much aside and being overly cautious? My request is to do what is best for CUs and my suggestion would be for NCUA to leave the NOL range at its current level of 1.20% to 1.30%. I would rather be assessed at the time when needed – not being assessed when it is not. I have to compare this to our funding of our ALLL account as we can be scrutinized by Regulators for putting too much aside when not technically warranted. There is no basis to increase the

P.O. Box 2150 • 521 W. Railroad Ave. • Shelton, WA 98584 • 360.426.1601
Toll Free 1.800.426.1601 • www.pcfcu.org



operating level; it is all based on speculation and what-ifs. Credit Unions failures have significantly decreased and the number of CAMEL 1 or 2 credit unions is at the highest level it has been for quite some time.

I strongly urge you to avoid increasing the NOL for the Share Insurance Fund and to distribute back to the CU's who paid the stabilization assessments the funds from the TCCUSIF. Give the funds back to the Credit Unions and their members.

Sincerely,



Tina M Nutt
VP/CFO

Cc: Congressman Denny Heck (D-WA 10th District)
Congressman Derek Kilmer (D-WA 6th District)