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September 6, 2017

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

Dear Sir:

Thank you for the opportunity to add our comments to the plan for the merger of the TCCUSF and the NCUSIF. The closure of the TCCUSF and the return of member capital to their credit union's is long overdue. While we appreciate the effort to begin the event of closing the TCCUSF we do not agree with either the limitations of the refund amount or the methodology used to justify the continued retention of over half of the TCCUSF closing balances in the NCUSIF. We have shared our concerns with our owners and the public at our blog site www.tellmewhyimwrong.com.

The historical record of agency estimations of legacy asset losses since 2011 is reason enough to discount any argument that the NOL needs to be increased to 1.39%. The modeling employed by the NCUA has consistently and considerably overestimated losses and underestimated the value of the legacy assets. Given that the PWC 2011 modeling efforts of future losses were as much as 30% to 60% overstated, we have no confidence that the current Black Rock estimates used to justify the NOL increase to 1.39% are any more accurate.

We see no justification for any plan that refunds anything less than 100% of TCCUSF balances to their rightful owners, the members of America's credit unions. We see no justification for the increase of the current NOL ratio of 1.3% or the resulting increase of $1 B in the NCUSIF. The rightful distribution of this $1 B back to the credit unions will be infinitely better leveraged in the hands of credit union members than in the NCUSIF. We strongly disagree that any inherent risk in the remaining legacy assets will threaten the current NCUSIF balances and feel that any immediate and future growth in NCUSIF balances should be primarily related to the growth of insured share deposits and those risks which have created the majority of recent charges to the fund.

We certainly do not want to ever forget the lessons learned from the Corporate crisis. Both the regulated and the regulator share in the blame for the direct and indirect costs to our shared interests. As time goes by we can continue to argue the relevancy and the need for the TCCUSF, but now is as good as time as any to end the TCCUSF by the exactly reversing the flow of capital that originally funded it. We encourage the board to directly refund credit unions 100% of their capital without any convolution to increase NCUSIF balances beyond the current NOL and for that short period of time necessary to reconcile the activities necessary to bring the fund balances down to 1.30%.

Sincerely,

Victor J. Pantea
Manager of Marketplace Alliances