



August 21, 2017

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear Secretary Poliquin,

On behalf of First Commonwealth Federal Credit Union, I am writing to you regarding the National Credit Union Administration's (NCUA) proposal to close the Temporary Corporate Credit Union Stabilization Fund (Stabilization Fund) and raise the National Credit Union Share Insurance Fund's (SIF) normal operating level (NOL) to 1.39 percent.

I am in favor of closing the Stabilization Fund and transferring the assets and liabilities to the Share Insurance Fund and providing rebates to credit unions. However, I am concerned with the proposed material increase in the normal operating level up to 1.39 percent.

I appreciate NCUA's concern over a potential adverse economic downturn but I feel there are enough potential actions that could be taken as a remedy should this occur. In addition, the current NOL of 1.30 percent was enough to weather the "Great Recession" we experienced several years ago. I am also aware of the additional liabilities of the NCUA Guaranteed Notes (NGN), however the transfer of assets from the Stabilization Fund to the SIF would likely offset these liabilities.

Should the NOL be increased above the current level of 1.30 percent, I feel strongly that there should be a definitive timeline whereby it returns to its current level. Lastly, I believe that all refunds should be calculated based on the proportion each credit union originally paid into the Stabilization Fund.

Thank you for the opportunity to comment on the proposal. I am pleased with the agency's dedication to return funds to credit unions, however I feel strongly that a full rebate is critical to any planned Stabilization Fund disposition strategy. If I can provide any further information related to this comment letter, please feel free to contact me at amusselman@firstcomcu.org or by phone at 610.821.2410.

Sincerely,

A handwritten signature in black ink that reads "Alan M. Musselman".

Alan M. Musselman, CFA
Executive Vice President Strategic Services