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August 30, 2017

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

Dear Mr. Poliquin:

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

I wholly support NCUA providing rebates to credit unions as soon as possible, although I am concerned with NCUA's proposed approach to this issue. Specifically, markedly increasing the normal operating level of the Share Insurance Fund. The fund was designed and has been working with an operating level of 1.30% for many years. Your approach to raise this level to 1.39% seems a little bit much. By doing this NCUA will divert millions of dollars that rightfully should be returned to the credit union industry, who have already lost millions to this cause.

NCUA estimates that closing the Stabilization Fund and transferring its assets to the SIF would increase the equity ratio to approximately 1.45% - 1.47%, which is far above the 1.39% you propose to increase it to. If left at the normal current operating level 1.30%, that would mean that 15-17 basis points or \$1.5 - \$1.7 billion should be returned to credit unions. However, this proposal would reduce that amount by more than half, and only give credit unions \$600 - \$800 million. As a credit union that has seen some hard times since this debacle, a full refund would very much help our credit union maintain our capital ratio to the well capitalized category. I feel a partial rebate is not acceptable; as many if not all credit unions have already paid dearly for the financial crisis which we did not create in the first place, and are entitled to a full rebate.

The current normal operating level of 1.30% is sufficient to weather economic downturns; it sufficed during the financial crisis, which was the greatest economic downturn since the Great Depression. If the SIF withstood the financial crisis, it stands



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to reason that the normal operating level does not need to be raised by 5 basis points, and the current level will enable the SIF to withstand any moderate financial crisis.

Additionally, the transfer of assets from the Stabilization Fund to the SIF would likely offset the additional liabilities of the NCUA Guaranteed Notes (NGN), thereby negating the need to increase the normal operating level by 4 basis points proposed by NCUA.

Finally, as others have noted, I believe that NCUA has the discretion to transfer assets directly from the Stabilization Fund to credit unions, especially to credit unions that hold corporate credit union capital notes. For example, the Southwest Corporate (SWC) Asset Management Estate (AME) does not owe the Stabilization Fund or SIF any money, and related money should therefore be directly returned to SWS note holders.

As a small credit union we are here to service our members, we had to make many sacrifices to be able remit the required amounts to help in this time of crisis. Employee benefits were cut, staff was downsized, dividends were reduced, and the list goes on. By giving back the funds taken by NCUA to assist the corporate credit unions, I believe you would see that this would serve to strengthen credit unions as a whole and in particular, ours. It would also increase credit unions faith in the NCUA to do the right thing when presented with difficult situations. Credit unions deserve a decision that maximizes potential recoveries.

I thank you very much for the opportunity to comment on this proposal. While I appreciate the agency's dedication to return funds to credit unions, I believe a full rebate is critical to a Stabilization Fund disposition strategy, as it was funded by the credit unions who could least afford it in the first place. If I can be a source of any further information on this comment letter, please do not hesitate to contact me at pmacek@mct-fcu.org.

Very truly yours,

A handwritten signature in black ink, appearing to read 'P. Macek', written over a horizontal line.

Patty Macek CEO
MCT Federal Credit Union