IHMVCU

September 5, 2017

Gerard Poliquin
Secretary to the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3425

Dear Mr. Poliquin,

I am writing this letter today in reference to the NCUA's proposal to merge the TCCUSIF into the NCUSIF and to distribute a portion of the excess funds to credit unions who originally funded the TCCUSIF.

First, let me say that I applaud the Board's decision to return funds to the credit unions ahead of the final wind down of the program in 2021. The openness that the Board has shown by inviting comments on this proposal is welcomed and very much appreciated.

IH Mississippi Valley Credit union serves over 115,000 members in a multi-county Field of Membership in Illinois and Iowa with assets of roughly $1.2 billion. Over the years 2009 through 2013, IHMVCU paid assessments to the TCCUSIF of just over $5.5 million. As of June 30, 2017, this would translate into an additional 46 bps of capital on our balance sheet. In addition to the capital impact, IHMVCU conservatively lost over $1 million in revenue by not having these funds at work in loans to our members.

That's $6.5 million that didn't go to work putting our members in homes, cars, funding their children's education or growing their small business. That's a real-world impact for our members.

Beyond the TCCUSIF assessment, IHMVCU also wrote off an additional $1.5 million investment in Members United Corporate Federal Credit Union.

That's a total impact to IHMVCU of over $8 million.

With that said, the past is the past. We weathered the storm and continued to lend to our members and began providing services to smaller credit unions who could not afford to recapitalize a corporate credit union, or chose not to put additional dollars at risk during a very troubling time.

NCUA has the opportunity at this time to maximize the return of funds to credit unions like IHMVCU who funded the TCCUSIF and helped save our industry.

I would like to provide commentary on specific areas of the proposal where we disagree:

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Recoveries:

With recoveries estimated to be in excess of $2 billion, these funds should be returned 100% to the credit unions that funded the TCCUSIF. These recoveries are specifically tied to the losses incurred and should be returned fully to the credit unions. There should be no diversion or reuse of these funds.

Normal Operating Level (NOL):

The year-end 2016 NCUA audit reflected that the 1.24% NOL at that time was sufficient to cover all contingencies. This level has since risen to 1.26% in an environment where credit unions are stronger than any time during the down turn. Based on this, we feel that no TCCUSIF funds should be retained in the NCUSIF for the NOL. These funds should be returned to the credit unions that funded the TCCUSIF.

NGN Guaranty Contingencies:

The December 2016 KPMG audit of the TCCUSIF found that there were no probable losses as a result of the guarantee of the NGN's. Based on that calculation, there should be no need to withhold any TCCUSIF funds for NGN contingencies and these funds should be returned to the credit unions that funded the TCCUSIF.

Lastly, if the merger proposal moves forward, we feel that TCCUSIF funds should be accounted for separately and not be comingled with NCUSIF funds. The events that triggered the establishment of the TCCUSIF are completely separate and have a separate resolution plan from those losses incurred under the NCUSIF.

Again, the ability to offer comments on the TCCUSIF proposal is greatly appreciated. Maximizing the return of TCCUSIF funds to credit unions strengthens the entire industry. With the NCUA's support, America's Credit Unions can continue to live out our missions and support over 100 million members nationwide.

Sincerely,

Brian M. Laufenberg

Brian M. Laufenberg
President / CEO
IH Mississippi Valley Credit Union

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