

Chair McWatters and Board Member Metzger,

As CEO of TAPCO Credit Union, I understand the Board is required to maintain the NCUSIF operating fund between 1.2 and 1.5 percent. The normal level was set at 1.3 percent in 2007. The NCUA desires to increase that level to either 1.34 or 1.39 percent to cover potential future losses whether due to Industry losses or NGN declines. After analyzing the potential risks, I encourage NCUA to raise it to 1.34 percent. NCUA criticizes credit unions for over funding the ALLL. An increase to 1.39 percent is the equivalent of over funding.

The TCCUSF should close prior to year-end. NCUA should return to credit unions the amount owed as soon as possible. As an industry, we bailed our industry out of the Great Recession. Any returns must be based on what was paid into the bail out. The only fair return is first in and first out. Any methodology based on current insured shares or insured shares over a period of time, does not take into account the disparate regional growth and asset size factors in recent years. NCUA has record of contributions due to assessments. Any method other than based on actual contribution deprives credit union members of their fair share of the refund.

Thank you for your consideration.

Carlyn J Roy

CEO