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The Honorable Debbie Matz
Chairman of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Chairman Matz:

Last month, I was fortunate to see a small article in Credit Union Journal that the 2014-2017 NCUA Strategic Plan was out for review and comment and that there would be a 30 day public comment, ending January 17, 2014. I hope that as part of your efforts to improve Stakeholder Outreach you would at least consider extending the comment period for another 30 to 60 days. As the primary driving document for the agency it is imperative that all interested parties have sufficient time to consider the long-term consequences of these strategies. Given the intervention of the holiday season, I doubt that to be the case.

As an alternate plan, and given that Board Member Metsger is so new to the NCUA and Nominee McWatters is at least several months away from taking his position, I would strongly suggest that the draft of this plan be tabled until the full board and their staffs have an opportunity to have their thoughts incorporated into a revised document that would then be revealed for an adequate comment period. Given the long-term nature of any strategic plan I seriously doubt that a delay would place any undue strain on current operations.

If you were to delay final promulgation of this plan I have several comments on the current plan, as it is drafted, that I hope would be considered.

1. Where's the compelling vision that makes the strategic commitment to propelling the NCUA in this century and beyond? I see no effort in the current draft to create a new culture that allows for a creative re-engineering of the regulatory environment that not only continues to protect the tax-paying public and credit union members, but also envisions the NCUA as the very best of breed among its peers. Where is the thought leadership that brought us share insurance, the CUSO Regulation and Reg Flex? This is what is expected from those you regulate and all parties who have provided your financial wherewithal through fees and the erosion of member generated capital. This is what you should expect of yourselves as public stewards.

2. The current plan lacks any strategic commitment to fiscal responsibility and a "post economic crisis" level of operating costs. In 2003 there were 10 insured credit unions for every NCUA FTE. By year-end 2007 that ratio had continued to increase to a level of 8.7 insured credit unions to every FTE. The 2012 annual report tells us that at the end of that year there was one (1) NCUA FTE for every 5.8 federally insured CUs. During that same period (2003-2012) a *steadily shrinking* number of credit unions supported an annual NCUA operating budget, that ballooned from $134.3 M in 2003 to $228 M in 2012. We all understand the demands created by the past economic crisis, but that is over. This plan must incorporate strategies that reduce the human resource component of the regulatory operation and increase the effective implementation of technology strategies that will empower management and staff to do more with less. Members expect that of their credit unions in today's environment, they should expect nothing less from their regulator.

3. The 2014-2017 plan must include strategies to more effectively encourage a healthy and symbiotic dual chartering system. Such an effort would afford numerous opportunities to reduce the operating budgets of both NCUA and state regulators. A sharing of best practices and joint efforts to develop new tactics for improved examination tools and practices could leverage and multiply both the intellectual capital and financial resources of both NCUA and state regulators for the benefit of all stakeholders. It should focus on reducing applicable transfer fees and offering opportunities to reduce overall federal and state budgets.

4. The current technology strategies do not go far enough to supporting the need to reduce human resource costs while improving the standards for effective and efficient oversight. I agree that better tools for ratio analysis, modeling and stakeholder communication are nice and very necessary, but doing more with less requires a total re-think of the technology strategy. At its core, the examination process is still way too dependent on field personnel. Why in the world are there still 5-6 and sometimes more examiners sitting for a month or more in credit union offices around the country? That picture hasn't changed in over 40 years. If you're state chartered AND federally insured you get the double dose. This plan must address the need to search out best practices in other regulatory agencies. Why not take a look at the qualification standards used by FINRA to designate individual broker dealer IT platforms as the official books and records of the firm. This qualification allows FINRA to *remotely and securely* access not only the appropriate financial records of the firm for ratio analysis, etc. but also individual business activities and client documentation. In a securities world that dwarfs the credit union world in product options, product complexity and regulatory burden, this type of utilization of technology reduces man-hours for field visits, and allows for an almost continuous exam cycle in areas of operation deemed to be at most or current risk. It also reduces the operational interruptions of the annual exam at the firm and allows for the agency to concentrate operation and product expertise in a central location without the added travel costs, lost productivity, etc. Working together with the relatively few IT providers in our market makes this a strategic objective that is timely, highly related to other strategies and achievable.

As strategic plans go the 2014 version is average at best. Looking back at prior plans, it appears to be just "more of the same." I doubt that it excites and motivates the employees of NCUA or those credit unions you are responsible for. The credit unions I belong to and those I work with are striving to be the very best they can be, I think their regulator should be aiming for the same results. Please consider my suggestion to delay the approval of this document prior to the total 3-person being in place. Please give your credit union partners who desire the same level of safety and protection for their members that you are responsible for, an opportunity to help you reach a greater vision and higher goals than we see in this plan. I would be more than happy to support that effort any way I can.

Sincerely,

Victor J, Pantea
President/CEO

CC: The Honorable Rick T. Metsger, Board Member
Board Nominee Mark McWatters