



California
CREDIT UNION LEAGUE

NEVADA
CREDIT UNION LEAGUE

January 17, 2014

National Credit Union Administration
Attn: OED Strategic Planning
1775 Duke Street
Alexandria, VA 22314-3428

Re: Comments on NCUA's Draft Strategic Plan 2014 - 2017

Dear Chairman Matz:

I am writing on behalf of the California and Nevada Credit Union Leagues (Leagues), one of the largest state trade associations for credit unions in the United States, representing the interests of more than 400 credit unions and their 10 million member-consumers. The Leagues welcome the opportunity to provide comments to the National Credit Union Administration (NCUA) on its draft Strategic Plan for the Years 2014 – 2017.

In general, the Leagues feel the Strategic Plan lacks an assurance to fiscal responsibility. While the credit union system has experienced growth in assets, loans, and membership, the number of credit unions have declined. With fewer credit unions supporting an ever increasing NCUA operating budget, we call on the NCUA to look for ways to become more efficient.

The Leagues question not only the Strategic Plan, but also NCUA's Vision Statement, "*NCUA will protect consumer rights and member deposits.*" NCUA's primary responsibility is maintaining the safety and soundness of the credit union system. We question a vision statement that is focused on consumer rights rather than on protecting credit unions, credit union members, and member deposits. For this reason, we have difficulty with *Goal 2 – Promote Consumer Protection and Financial Literacy*, and more specifically, *Strategic Objectives 2.3 and 2.4*. Financial literacy and consumer protection is the primary mission of the Consumer Financial Protection Bureau (CFPB). The Leagues believe NCUA should focus on the regulation of credit unions and protecting member deposits and not spend credit unions' money on redundant programs.

In regard to *Goal 4 – Cultivate an Environment that Fosters a Diverse, Well-Trained and Motivated Staff*, the Strategic Plan notes that many of NCUA's staff has less than five years of experience with NCUA and this makes staff training an important strategic objective. The Leagues argue that NCUA should hire staff with sufficient knowledge, expertise, and talent. While some training is necessary to remain knowledgeable in new products, services and technology that credit unions offer, this training should expand on and be complimentary to existing skills rather than hiring staff that require fundamental training.

With an eye toward efficiency, the Leagues approve of *Strategic Objective 4.2 – Enhance Staff Effectiveness and Efficiency Through the use of Technology*. We urge the NCUA to modernize the exam process through the use of technology, which in turn would reduce the number of examiners and the number of hours spent in the field. This would minimize the exam impact and disruption to credit unions and help the NCUA to be more fiscally responsible.

Lastly, with regard to Goal 4 and NCUA staff, the Leagues question the *Strategic Objective 4.6 – Enhance NCUA's Position as One of the Best Places in the Government to Work*. The Leagues feel this is vague and lofty. What makes an employer one of the best places to work? We believe this should be restated as providing a work culture and environment that attracts and retains qualified staff.

In addition to the Strategic Plan, NCUA has listed three legislative priorities, including modernizing the Central Liquidity Fund. The Leagues agree with this priority and is available to offer assistance in this endeavor.

The NCUA also includes a legislative priority of reestablishing NCUA's emergency borrowing authority of \$30 billion which sunset on December 31, 2010. The Leagues are concerned with this stated priority and its lack of credit union focus and potential impact on federally insured credit unions.

In summary, the Leagues urge NCUA to be fiscally responsible and to focus on their primary responsibility of maintaining the safety and soundness of the credit union system. Each goal and objective should tie back to the benefit to credit unions, credit union members, and member deposits.

Thank for the opportunity to comment on the draft Strategic Plan and considering our views and the issue.

Sincerely,

Diana R. Dykstra
President and CEO
California and Nevada Credit Union Leagues