

October 27, 2017

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

**RE: NCUA's Proposed 2018 & 2019 Budgets**

Dear Mr. Poliquin:

I am writing this letter in support of comments I delivered on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) during the National Credit Union Administration's (NCUA) Budget Briefing, held October 18, 2017.

As I remarked during the Briefing, NCUA's budget process has improved greatly over the last several years, especially compared to the start of this decade, where opaqueness and extreme growth were the norm. Now, under this Board's leadership, I am generally pleased with the overall direction that the agency is headed. While further efficiencies and improvements should continue to be sought on the substance, the current process is ideal. As I said during the briefing, NCUA now serves as the model and example that other federal agencies should emulate.

Although the form and substance have improved greatly, my credit union and I are still waiting for the day when we will actually see the fruits of the budget's investments in enhanced examinations. While the move to an 18-month exam cycle was certainly welcome, our credit union still hosts more than a half dozen examiners who spend upwards of three weeks at our credit union when it comes time for our examination. Beyond routine interruption of providing information to examiners, our physical space and office becomes stressed while they are on-site. Every day not spent on-site would alleviate this stress, and relevant to this letter, would further reduce agency expense.

I support the agency's plan to invest in technologies that will provide it with more opportunity for remote examinations. Improving this capability could enhance NCUA's ability to identify troubled or stressed credit unions more often and earlier, thus reducing the risk to the SIF, coupled with the benefit of a reduced on-site presence; a true win-win.

To that end, before the Board takes action on the proposed budgets, I ask that it publicly discuss a reasonable time-frame by which my credit union can start experiencing a meaningful reduction in both, the number of examiners that come to my credit union, and

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in the number of days they spend on-site.

Relatedly, I am most eager to see the reorganization of the Office of Examination and Insurance reformation into smaller, specialized working groups. I support examiners that have a deeper understanding of technical and nuanced issues.

Finally, I would like to lodge my support for the creation of a credit union advisory council, first conceived of by Chairman McWatters. I believe that a formal advisory council would increase stakeholder input on matters like the budget, as well as other, more controversial issues, such as overhead transfer rate methodology. On numerous occasions, the Board has expressed its desire to hear more feedback from credit unions on the budget. An advisory council would be the ideal vessel for that feedback and subsequent exchange of ideas.

In conclusion, I appreciate the leadership of the Board and the staff in preparing this budget. I applaud the form, and am encouraged by the reduction in growth.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Zook', written over the printed name.

Beverly Zook  
President & CEO

Money One Federal Credit Union