



California
CREDIT UNION LEAGUE

NEVADA
CREDIT UNION LEAGUE

May 1, 2009

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear Ms. Rupp:

RE: Comments on Notice of Proposed Rulemaking (Operating Fee)

On behalf of the California and Nevada Credit Union Leagues, I appreciate the opportunity to comment on NCUA's proposed amendments to Part 701, which would amend the rule regarding the assessment of the federal credit union (FCU) operating fee to exclude investments made under the Credit Union System Investment Program (CU SIP) and the Credit Union Homeowners Affordability Relief Program (CU HARP) from the calculation of total assets. By way of background, the California and Nevada Credit Union Leagues (Leagues) are the largest state trade associations for credit unions in the United States, representing the interests of more than 400 credit unions and their 9 million members.

The Leagues are pleased to support the proposal, which utilizes NCUA's existing regulatory authority in a flexible, reasonable, and much-needed fashion in order to address the critical issue of credit union system liquidity. We agree with the NCUA Board that this amendment will help address a possible disincentive for some FCUs from participating in the CU SIP or the CU HARP (since the operating fee is based on total assets and any investment in the programs subsequently increases an FCU's operating fee).

Along those lines, we would like to reiterate our suggestion that NCUA employ a similar and commonsense approach to the definition of "total assets" under §702.2(g) of the Prompt Corrective Action rule to exclude guaranteed or low/no-risk assets from net worth ratio calculations (see pages 4-5 of our comments on the Corporate Stabilization Advanced Notice of Proposed Rulemaking). Such an action would not only serve to provide a more balanced and fair view of credit union risk-based net worth, but would also encourage additional credit union participation in the CU SIP and the CU HARP.

I thank NCUA for the opportunity to comment on this issue. We appreciate the Agency's continued efforts in providing transparency and solutions to credit unions regarding the corporate stabilization actions.

Best regards,

Bill Cheney
President/CEO