



**CUNA**

Credit Union National Association

cuna.org

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May 4, 2009

Ms. Mary Rupp  
Secretary of the Board  
National Credit Union Administration

Alexandria, Virginia 22314-3426

RE: Federal Credit Union Operating Fees

Dear Ms. Rupp:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the National Credit Union Administration (NCUA) Board's proposed rule regarding federal credit union (FCU) operating fees. By way of background, CUNA is the largest credit union trade organization in this country, representing approximately 90 percent of our nation's 8,000 state and federal credit unions, which serve approximately 91 million members.

### Summary of CUNA's Views

- The proposal would amend NCUA's rule on the assessment of the FCU operating fee to exclude investments credit unions have made under the CU System Investment Program (CU SIP) and the CU Homeowners Affordability Relief Program (CU HARP) from the calculation of total assets for purposes of determining their operating fees.
- CUNA encouraged NCUA to take this action as it applies to CU SIP and we support the proposal as it relates to CU HARP.
- CUNA believes that excluding these investments from the calculation of the operating fee will facilitate participation in the programs by removing the disincentive related to the calculation of the operating fee.



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## **Discussion of CUNA's Views**

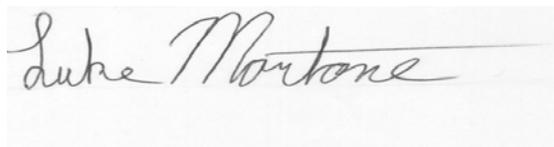
Currently in calculating the FCU operating fee, "total assets" include all assets on an FCU's books related to its investments that are currently outstanding. As a result, FCU investments in the CU SIP and the CU HARP are included in the net worth calculations.

The proposed rule would exclude "any asset that is created on the books of a natural person federal credit union when it makes a CU SIP or CU HARP related investment in a corporate credit union" from "total assets" for purposes of calculating the operating fee. For all other purposes, FCUs would continue to calculate their operating fee in the same manner as they currently do.

NCUA intends for this proposed rule to remove the impediment for FCUs to participate in the CU SIP and the CU HARP related to the impact on their operating fees. CUNA believes the proposed change could facilitate FCUs participation in the programs.

Thank you for the opportunity to express our views on the Board's proposed rule regarding FCU operating fees. If you have questions about our letter, please do not hesitate to give Senior Vice President and Deputy General Counsel Mary Dunn or me a call at (202) 508-6743.

Sincerely,

A handwritten signature in cursive script that reads "Luke Martone". The signature is written in black ink on a light-colored background.

Luke Martone  
Regulatory Research Counsel