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Sent: Tuesday, February 17, 2009 4:00 PM
To: _Regulatory Comments
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Subject: Jhartwig-comments on advanced notice of proposed rulemaking part 704

While I will not pretend to understand the sophistication of the Corporate Credit Union System I would like to make a few comments.

As a background on our credit union we lost a portion of our Member Capital Share Deposit in the former corporate credit union, Capital Corporate (CapCorp).

Role of corporates in the CU System:

I believe it is very important for natural person credit unions to support corporate credit unions. Their role should be to provide liquidity and payment services. If we cannot get these services through corporates then obviously we will be forced to use (thus support) the banking system and pay high fees associated with our accounts there. I do not believe NCUA should limit a corporates ability to offer products and services to preserve the liquidity function.

Field of Membership Issues:

I do not believe NCUA should return to defined FOMs because then credit unions may be forced to join corporates that are not as strong financially as others or may not provide all the services they require.

Permissible Investments:

Corporate investment authorities should be limited to those allowed for natural person credit unions. At a minimum collateralized debt obligations should not be allowed.

Summary:

In order to be supportive of corporates all natural person credit unions have to keep a large balance (in access of insurance coverage) to fund the payment services provided as well as keep some type of membership capital on deposit. How can we be expected to feel confident in doing this when these funds are not insured and the corporates are allowed to continue to invest in collateralized debt obligations? Why wasn't anything learned from CapCorp? These instruments were the demise of that corporate.

Currently all deposits in corporates are insured, **they need to be permanently insured**. I would forgo higher interest on my deposits to have the security of them being insured.

Let's not forget it's the members who pay (higher fees, higher loan rates, lower savings rates, less services) when corporate credit unions fail and natural person credit unions suffer losses.

Thank you for the opportunity to comment.

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