

From: DAVE HAGAR [David.Hagar@BCEFCU.com]
Sent: Monday, February 02, 2009 3:51 PM
To: _Regulatory Comments
Subject: David Hagar - Comments on Advanced Notice of Proposed Rulemaking for Part 704

To Whom It May Concern:

The Baltimore County Employees Federal Credit Union vehemently disagrees that all natural person credit unions should be held accountable for the **poor** investment and deposit activities of the corporate credit unions by sacrificing our own income and capital.

We are not immune to the current financial market conditions. Our strong capital position lowers our interest expense which helps offset the shrinking yield on our **prudent** investment portfolio. NCUA Board action to **confiscate** our capital will severely impact our ability to serve our members and cause **irreparable harm to our reputation** with them.

NCUA would be better served by raising the core capital ratio for corporate credit unions to 5% within five years.

NCUA should restrict the investment authority of corporate credit unions. Clearly, corporate credit unions were unable to adequately identify the risk associated with their mortgage and asset backed securities.

Additionally, limits should be placed on the amount of funds invested in one institution. I know of one corporate that had 85% of their assets invested at US Central Corporate Credit Union.

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