

**HOUSTON TEXAS FIRE FIGHTERS FEDERAL CREDIT UNION**

4200 KOLB STREET

HOUSTON, TX 77007

TELEPHONE (713) 864-0959 • FAX (713) 293-6688

April 3, 2009

Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexander, Virginia 22314

Re: Comments on Advanced Notice of Proposed Rulemaking for Part 704

The NCUA has requested comments regarding the need to change the structure and rules relating to the corporate credit union system. The following are the thoughts and suggestions from the Management Team at Houston Texas Fire Fighters Federal Credit Union (HTFFFCU). We will not respond to all of the issues outlined in the ANPR but will instead focus upon the ones which directly impact HTFFFCU.

Houston Texas Fire Fighters Federal Credit Union serves Houston fire fighters and their families. We were originally chartered in 1934 and have remained a single sponsor group for 74 years. We currently have over 16,000 members and in excess of \$199 million in assets.

Southwest Corporate is the only corporate which serves the credit unions needs. The services provided are critical to the credit unions operation and include:

ACH Clearing

Share Draft Processing

Wire Transfers

Short term investments

Corporate checking

Securities safe keeping

Although these services may be available from other sources they may not be as cost effective and the change would be disruptive to our members.

HTFFFCU firmly supports the need to continue first tier corporate credit unions. Regarding the issue of the second tier (US Central), we agree with a recommendation brought forward by Southwest Corporate to allow for a transition to a CUSO based, off balance sheet provider of services to corporate credit unions.

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*Comments on Advanced Notice of Proposed Rulemaking for Part 704**Page 2*

Regarding the question of requiring credit unions to contribute core capital in order to obtain services; we are in support of the concept. The requirement to contribute capital may serve to reduce fields of membership as credit unions must choose to which corporate they will provide capital. In conjunction with the requirement for contributed core capital NCUA should implement a risk-based capital requirement that is consistent with other federally regulated financial institutions. There should be a sufficient transition period for these changes to be implemented without disruption to credit unions.

Our final comments relate to board governance. We firmly believe that the current board structure with directors elected from the membership should not change. The inclusion of outside directors in any form is not necessary or advisable. This practice did not preclude other financial services companies from becoming involved in the current economic crisis. Although we do not support minimum requirements to serve on the board we feel ongoing training should be required. We do not agree with compensating directors or imposing term limits.

Although there were many other issues in the ANPR these are the ones upon which we feel compelled to comment.

Thank you for the opportunity to share our views.

Sincerely,

Clinton C Hartmann, CCUE  
President/CEO