

April 6, 2009

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

Dear Secretary Rupp:

PolicyWorks appreciates the opportunity to comment on the National Credit Union Administration's (NCUA) Advanced Notice of Proposed Rulemaking with respect to its corporate credit union regulation, NCUA Rules and Regulations Part 704. PolicyWorks is a wholly-owned subsidiary of the Iowa Credit Union League. As such, PolicyWorks provides regulatory guidance and information to credit unions throughout the state.

The concept of restructuring the corporate network and its business model is not a new concept and recent economic events have brought more light to the need for reexamination of the network. The unprecedented economic downturn causing the current credit and liquidity crisis prompted actions by the NCUA. The actions taken by the NCUA were designed to address liquidity, capital needs, and member confidence. One of the NCUA's actions is an open forum for the gathering of information and ideas from the credit union industry through the formal process of issuing an Advanced Notice of Proposed Rulemaking and Request for Comment (ANPR).

The ANPR addresses several key issues affecting the corporate network that could significantly redefine the corporate charter. When asking Iowa's credit unions to comment with respect to the ANPR, PolicyWorks informed credit unions that we would facilitate the comment process by submitting their comments to the NCUA on their behalf. The following comments were received from several credit unions. Each credit union's name, CEO's name, address, and asset size as of 12/31/08 is indicated before that particular credit union's comments. Please note that some of the comments are in the format of answers to a short set of questions that were set forth in our communication to the credit unions.

Peoples Credit Union
Pamela Jondal, CEO
310 First Street
Webster City, IA 50595
Asset size: \$17,003,204

The many services that Iowa Corporate Central Credit Union (Corporate) provides for us are all extremely important to the operations of our credit union. The entire operations of our credit union would suffer greatly without the services they provide.

Corporate is our settlement account. This would be one of the most important services they provide.

Corporate is our main liquidity investment account. This also is very key to our operation. The biggest drawback is the unprecedented low rate of return we are now receiving.

Corporate helps us with our vault cash replenishments through the Federal Reserve. Our credit union previously used a local bank to replenish our cash. It is great not to have to rely on that outdated system.

We use Corporate to issue and clear our own corporate checks. We also used to use a local bank for this. It is great to be able to use Corporate for this function.

We use Corporate as our depository bank with the check imaging service they provide. This was yet another service we had to depend on a local bank for. It's great to have the help Corporate provided to set up this much needed technology.

I feel that our credit union could benefit from more direct contact and communication from our Corporate.

Meridian Credit Union
Linda J. Spears, CEO
1206 N. Jefferson
Ottumwa, IA 52501
Asset Size: \$23,297,227

- 1) What does the corporate credit union network do for you today? Of these services, which are the most essential to you?** We use the ICCU (Iowa Corporate Central Credit Union) for our financial account, checks, clearing, ATM clearing, wires, and several other financial services. It is essential!
- 2) What doesn't the corporate network do for you that you would like it to do?**
- 3) What would be the impact to your credit union if corporate services were not available?** Devastating.
- 4) Where do you need help from corporate credit unions to assist in your strategic future?** To continue to be the same as it has been.
- 5) If you could make one change to the corporate structure, what would it be?** It seems to be working fine.

Advantage Credit Union
Corinne Coyle, CEO
121 W. 3rd Street N.
Newton, IA 50208
Asset Size: \$37,221,230

- 1) **What does the corporate credit union network do for you today? Of these services, which are the most essential to you?** Settlement services, corporate checking, liquid settlement account, wires, line of credit if needed. Most essential is the settlement services and corporate checking.
- 2) **What doesn't the corporate network do for you that you would like it to do?** Does not offer competitive rates during low rate environment so we invest in numerous bank CDs to try to maintain a decent rate spread.
- 3) **What would be the impact to your credit union if corporate services were not available?** Would have to figure another way to settle all of our items including getting an account with the Federal Reserve, which we do not currently have.
- 4) **Where do you need help from corporate credit unions to assist in your strategic future?**
- 5) **If you could make one change to the corporate structure, what would it be?**
No idea.

Midland Credit Union
Becky DeVries, CEO
2891 106th Street
Urbandale, IA 50322
Asset Size: \$33,692,170

- 1) **What does the corporate credit union network do for you today?** Provides depository services (branch capture) for member check deposits, cashier check clearing with daily interface with our Data processor of cleared cashier's checks, previous ease of Certificate investment options, many settlement services, thorough statement with management reports and correspondent services with Federal Reserve at a low cost to our credit union. Web based program to watch our activity daily. **Of these services, which are the most essential to you?** Depository services (branch capture), settlement services, thorough monthly statement.
- 2) **What doesn't the corporate network do for you that you would like it to do?** Better certificate rates. Permanent 100% federally insured deposits.
- 3) **What would be the impact to your credit union if corporate services were not available?** Higher banking charges, loss of daily interface with DP of cleared checks.
- 4) **Where do you need help from corporate credit unions to assist in your strategic future?** Low costs for services we use, keep us on the cutting edge of technology for our checking account needs.
- 5) **If you could make one change to the corporate structure, what would it be?** Change how unpaid deposited checks are returned to the depositing credit union. It can take us a week to receive the actual document in the mail. However, we can view and print the item online due to the interface between Iowa Corporate Central Credit Union and The Members Group. Permanent 100% federally insured deposits. For the whole depository system I believe clearing of checks

(those we deposit and those the credit union and our members issue) needs to be more often than once a day. This has been done on the ACH side with the Federal Reserve, however our data processor only receives those files after credit unions are closed.

We appreciate the opportunity to submit these comments on the ANPR on behalf of several of Iowa's credit unions. If you have any questions, feel free to contact me at 515-221-3005.

Sincerely,



Anne Whatley
Vice President, Regulatory Strategy
PolicyWorks, LLC