

**From:** John Graham [jgraham@kecu.org]  
**Sent:** Monday, April 06, 2009 11:47 AM  
**To:** \_Regulatory Comments  
**Subject:** Larry Moore - Comments on Advance Notice of Proposed Rulemaking for Part 704

Kentucky Employees Credit Union appreciates the opportunity to comment on the proposed NCUA revisions to the corporate CU structure and functions. We are generally supportive of the CUNA position on this issue. We believe that the fundamental role of the corporate network should be refocused on providing the settlement and liquidity support required by natural person CUs. The investment function of the corporates should be curtailed and much more closely regulated. (This may require some revisions to the investment authority of natural person CUs to compensate for the reduction in corporate investments.) With this refocusing, a smaller number of corporate CUs should be adequate to efficiently meet our needs.

However, we differ sharply from the CUNA position and the NCUA proposal with regard to paid corporate CU directors. We firmly feel that all the directors within the CU industry should come from the ranks of the industry. We do not accept that the industry is lacking in the necessary expertise to manage our affairs. We also feel that all corporate boards should be required to have some natural person CU representation, ideally structured to ensure the participation of CUs of all asset size ranges. This will help the CU movement stay in touch with our grassroots membership.

Thank you for your consideration.

Larry W Moore  
Board Chair  
Kentucky Employees Credit Union