



# NORTH CAROLINA CREDIT UNION LEAGUE

*Committed to helping credit unions succeed*

NORTH CAROLINA CREDIT UNION LEAGUE

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April 3, 2009

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

Re: Advanced Notice of Proposed Rule Making (ANPR) 12 CFR Part 704 regarding corporate credit unions

Dear Ms. Rupp:

Thank you for the opportunity to comment on the National Credit Union Administration's ANPR regarding corporate credit unions. The North Carolina Credit Union League (NCCUL) represents 108 North Carolina credit unions that serve over 3 million members and hold over \$26 billion in total assets.

As elsewhere, the collapse of parts of the corporate credit union system and the immediate and significant impact on natural person credit unions has been the focus of much debate and discussion in North Carolina. We at the NCCUL have heard from our member credit unions, large and small, as to their concerns about the cost of the corporate stabilization plan and about what the future holds for the corporate system.

We recognize and appreciate that this ANPR is an important opportunity for the credit union community to share its thoughts on the latter of those two items – the future of the corporate system. In what follows we have highlighted several themes that we heard repeatedly from our credit unions that provided feedback on specific items in the ANPR.

The overriding sense we continue to get from our credit unions is that NCUA needs to allow individual corporate credit unions the flexibility to meet the needs of its membership. A one-size fits all approach will not serve credit unions, particularly small credit unions, well. In particular, our credit unions remain concerned that establishing four regional corporate credit unions, an approach offered by some, could compromise much of the value the corporate system currently delivers in North Carolina.

These judgments are rooted in the experience that North Carolina credit unions have had with their corporate, First Carolina Corporate Credit Union (FCCCU), over the past 29 years. Despite a national field of membership FCCCU remains focused on serving credit unions in the Carolinas. Many North Carolina credit unions have come to appreciate and rely on the expertise offered by FCCCU's staff – be it personalized investment services, ALM, statement reconciliation or their dedicated financial services representatives.

Indeed there are other providers for the mix of services mentioned above – banks, the Federal Reserve, and the Federal Home Loan Bank to name a few. A system of four regional corporate credit unions may even meet these needs. However, small credit unions in particular need the expertise and value of the relationships they have with the staff of FCCCU. Smaller credit unions lack the economies of scale to command the attention of outside providers and could very well suffer (in terms of increase of cost and lack of service) if FCCCU is no longer an option. For example, a recent analysis found that a \$10 million credit union saves approximately \$600 per month or \$7,200 per year by having access to the corporate credit union system for check processing and coin and currency services.

As NCUA moves forward with the restructuring of the corporate credit union system, we urge you to provide the regulatory flexibility for credit unions to determine how the corporate credit union system can best meet their needs. As with natural person credit unions, the membership should ultimately determine the future of the credit union. If credit unions in the Carolinas determine that FCCCU should continue to exist (ultimately by recapitalizing the institution), the rules and regulations that come about as a result of this ANPR should support and guide that process, not serve as an obstacle.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "John F. Radebaugh".

John Radebaugh  
President/CEO