

**UNITED CREDIT UNION**

202 SOUTH TOPEKA
NESS CITY, KANSAS 67560-1936
Telephone: (785) 798-3223 Fax: (785) 798-3305

April 3, 2009

The Honorable Michael E. Fryzel
Chairman, National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

The Honorable Rodney E. Hood
Vice Chairman, National Credit Union Administration

The Honorable Gigi Hyland
Board Member, National Credit Union Administration

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

Dear Chairman Fryzel, Vice Chairman Hood, and Board Member Hyland:

On behalf of United Credit Union, I appreciate the opportunity to provide comments on NCUA's Advanced Notice of Proposed Rulemaking and Request for Comment regarding the role of the Corporate Credit Union Network and its structure.

United Credit Union was chartered in 1957. We are located in Ness City, Kansas. We serve approximately 1,000 members in the Ness County area. As of the end of 2008, our assets were \$6,267,991. In many opinions, I am sure we are considered a very small credit union. But, it is a very important financial institution to our members and to our small community; and, we feel that we serve our members well. In 2008, we had a return on assets of .54%; our net worth ratio was 11.50%; and our loan/share ration was 40.9%.

I have been the manager of United Credit Union since 1975, and have always depended on Kansas Corporate as a business partner. Kansas Corporate has provided essential financial services to our credit union. The services and products have been affordable and have facilitated our ability to compete with much larger local financial institution in our markets.

I believe that, without the corporate credit union system, many credit unions will struggle to survive. Many of us do not have the expertise, nor can we afford the required staff to efficiently handle the many services that corporates provide.

United Credit Union

Ness City, Kansas

Page 2

Kansas Corporate has always provided invaluable service to our credit union. In addition to fulfilling the traditional role of providing us with access to liquidity, our corporate has developed to meet the growing demands that credit unions have requested for a full range of financial needs, including investments, funds transfers, settlement and informational services for Kansas credit unions. Through collaboration and partnerships, Kansas Corporate has developed many services in a cooperative, low-cost/high value manner that has saved United Credit Union a lot of money.

We use our corporate for many services including settlement services (checks, ACH, VISA, member deposits, et.); wires; and investments. There have been times in the past that liquidity was tight for us, and we were provided the needed liquidity (overnight line of credit and term borrowings). During this time of our excess liquidity, they have made safe investments available that would suit our particular needs. Although these services are available from other third-party vendors, the expense would be great, and I'm not sure they would serve in the best interest of our credit union. The employees of Kansas Corporate Credit Union serve us in the same way we serve our own members - on a personal level, striving to do what is best for United Credit Union. I have no doubt that they serve all of the Kansas credit unions in the same manner.

We believe that corporate board structure should not be changed, and there definitely should not be an outside director category. Unpaid, democratically elected boards are the very foundation of the credit union movement. We also don't believe term limits are necessary as members should decide who serves.

We do not agree that structure of the corporate system led to the issues that required NCUA to take action. From what we have observed from the consolidation of banks, efficiencies, lower fees or higher rates were not necessarily accomplished. In fact, in many cases, the exact opposite has happened. Plus, consolidation may result in decreased personalized service.

We do not want to see changes made that would consolidate our corporate. Kansas Corporate has been in existence for almost 60 years, with much of the same management for over 20 years. Relationships and trust have been built and developed over that time, and that is not easily replaced. We need to continue to have Kansas Corporate Credit Union as our strategic business partner to provide the services to us as they have for many years and for any future services they are sure to offer in the coming years. We do not want to be forced to rely on our banking counterparts for services that we current receive from our corporate. We urge you to view each corporate as an individual institution with its own business plan, that has its own risk tolerance, and is answerable to it membership.

Thank you for the opportunity to provide comment.

Respectfully submitted,



(Mrs.) Patti A. Lutters
Manager