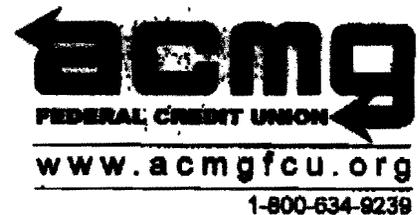


COMMITTED • CONVENIENT • CONNECTED

April 3, 2009

National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

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

Dear Board Members:

ACMG Federal Credit Union's Board of Directors and management officials would like to offer the following comments on the Issues for Consideration in the ANPR for Part 704:

While the operating environment of today's "credit union system" has changed dramatically since the advent of the modern corporate credit union structure in the 1970's, the value of maintaining a cooperatively owned and democratically operated structure that can reduce or even eliminate the system's reliance on for-profit competitors (banks, vendors and even CUSOs in some cases) has not. The ability for credit unions to control their own destiny has never been more critical. Elimination of the corporate system and reliance on other providers as some have suggested, is in our opinion, not the way to achieve that control. Indeed, the premise dismisses the "basic law of life for the credit union movement—interdependence—the source of all credit union power, the secret of all credit union success, the origin of all credit union values" *

At ACMG we value not only the pricing and services (payment systems, investments and safekeeping, coin and currency, mortgage participations, access to lines of credit) provided by our corporate, but the local representative who is available to assist with problem solving, innovation and training and is often an impartial resource to support other local cooperative efforts natural person credit unions may undertake. Therefore, we support a migration from the two tier system to a one tier approach, with gradual consolidation to perhaps five corporate credit unions strategically located across the country. This would provide the necessary economies of scale to support competitive pricing and quality service offerings, while maintaining some form of local presence.

It is our opinion that corporate capital must be increased gradually. Some of this would come from the leveraging of resources possible through consolidation, but we believe that it is critical going forward that perpetual membership capital be required for a credit union to obtain services from a corporate. As stated above interdependence is the key to success. A shared financial "stake" is the best way to ensure that a corporate operates successfully. For credit unions desiring multiple corporate credit union relationships for purposes of diversification, we believe that the "Preferred Corporate" model outlined by Members United Corporate FCU in it's ANPR commentary makes good sense.

**Credit Union Dynamics by Kent W. Francis*

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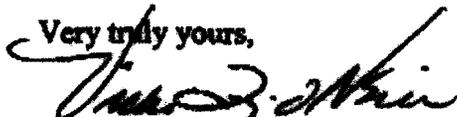
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Finally, with regards to corporate governance, we believe that the collective member owners of each corporate should have the flexibility and responsibility to determine qualifications and training requirements for board members and the appropriateness of term limits. While we do not personally agree with the premise of utilizing "outside directors" or of compensating directors, we would again support the use of the democratic process afforded to owners to decide these issues, rather than a mandate by the regulator.

Thank you for allowing us the opportunity to comment on these very important issues facing the credit union community.

Very truly yours,



Vicki H. O'Neill
President