

From: [Joey Carpenter](#)
To: [Regulatory Comments](#)
Subject: Paul Numbers - Comments on Advanced Notice of Proposed Rulemaking for Part 704
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NCUA Board
Attn: Mary Rupp, Secretary

Comments on Advanced Notice of Proposed Rulemaking for Part 704

It is my belief that the current corporate credit union structure is sound and feasibly operable long term. Economic conditions and prior actions of mortgage lenders are the primary reasons for the corporate credit union crisis, not the investment decisions made by corporate staff.

The reactive and unnecessary conservatorship actions taken by the NCUA Board have exacerbated the current crisis instead of providing support and clear guidance.

Recommendations for improving a good system:

- 1) The NCUSIF would not insure corporate funds. Methods for borrowing from the Treasury would be available and provided when needed for capital funding shortfalls. As in the past, natural person credit unions would invest in corporate credit unions and their membership capital would be at risk.
- 2) Create a dual corporate system: investment services and payment/funds transfer services. A natural person credit union may wish to use the payment/funds transfer corporate and therefore not have their membership capital at risk due to investment funding. A higher price would be paid for payment/funds transfer services but at less risk to member share capital.
- 3) Review the investment authority of corporate credit unions and increase oversight. A NP credit union needs a safe place to store excessive funds and yet earn a better than treasury yield.
- 4) Use good common sense in administering a very complex financial system. Years of good work by talented and dedicated men and women have gone into creating an outstanding financial services industry, our credit union system. Use of this talent in critical situations is not only wise but warranted.

It is time to pull together and show confidence in our actions to our employees and members and stabilize our industry.

Paul E Numbers Jr.
President/CEO
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