



CORPS OF ENGINEERS
FEDERAL CREDIT UNION
Providing Financial Services - Your Way!

April 6, 2009

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428
Fax: Mary Rupp, Secretary of the Board, NCUA, 703-518-6319

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

Chartered in 1950, the Corps of Engineers Federal Credit Union (COEFCU) serves the Army Corps of Engineers employees in the Fort Worth and Dallas, Texas area. We rely on the services provided by retail corporate credit unions including member share draft processing, remote branch capture electronic check deposit, ACH origination, investments, SimpliCD, wire transfers and our corporate checking account. The corporate system has allowed us the opportunity to use service providers within the credit union movement.

A well-managed retail corporate credit union is essential to the credit union industry, and should be of size and scale to provide services required by natural person credit unions. Going forward, economies of scale and market-driven forces will reduce the number of corporates. The remaining corporates will face a skeptical membership regarding their member capital deposit due to recent action by NCUA. There is no need to continue the wholesale credit union tier.

Field of membership overlaps in natural person credit unions are allowed by NCUA. NCUA should not limit a corporate's FOM. Let the market decide.

Corporate Capital: Exclude the member capital account from capital determination. Calculate capital requirements on risk-weighted asset classifications, with an appropriate timeframe to grow retained earnings. Membership should be on a voluntary basis with no membership capital required. Delete any notice requirement for MCA. Let member credit unions respond more quickly to market fluctuations, management decisions, accounting rule changes and/or regulatory examinations without the 3-year notification rule. Corporates with a sound business plan and appropriately priced services can and will grow their reserves. Natural person credit unions will support a sound, well-managed corporate credit union.

Place staggered limited terms on directors of corporate credit unions; elect only from qualified career management staff of member credit unions. Greater regulatory oversight and better assessment is needed by highly qualified examiners; there should be more accountability and quicker action taken after these examinations. NCUA should limit the investment authority of corporate credit unions.

Sincerely,



Carol Johnson
President/CEO