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Wheatland Federal Credit Union is a credit union with just under \$50 million in assets and 11,000 members. We have and have had for many years a relationship with Mid Atlantic Corporate Federal Credit Union. Currently we utilize them for payment and clearing services, wire transfers, ACH transaction, investment services and more. We have placed our trust and confidence in Mid Atlantic and the level of service they provide to us and have not once been given a reason to regret this decision. Following are comments in response to the ANPR issued by NCUA.

- Payment Systems – Our corporate is one that offers both payment and investment services and does both things well, as do many of the corporates. Separating the two functions by charter would put undo strain on to these corporates to bring in sufficient earnings. This strain would be passed down to natural person credit unions and consumers at large.
- Liquidity and Liquidity Management – The banking industry has tried to limit how credit unions can serve their members by claiming certain services are not appropriate. This does a disservice to consumers and does not allow credit unions to be competitive in the marketplace. Just as credit union members should be able to rely on their credit unions for service, so should credit unions be able to rely on their corporate. If corporates were limited in the types of service they are able to offer the effects would be felt by natural person credit unions and consumers in general as they would not have access to new and/or affordable products and services. Integrating cash flow duration limits into NCUA reg. part 704 would unnecessarily constrain Mid Atlantic from effectively fulfilling our need to gain access to high quality, competitive short term investments. It should be the role of the regulator to provide oversight and enforcement of regulations, not make management decisions on behalf of the institutions it regulates.
- Field of Membership Issues – The current issues we are facing have not been caused by the field of membership or structure of the corporate network, but by forces in the overall financial industry and by the investment risks assumed by some corporate. As you are aware, Mid Atlantic was the first corporate credit union to receive a national field of membership. They are proof that field of membership designations do not necessarily lead to undue risk taking.
- Expanded Investment Authority – The expanded authorities themselves are not the problem, but rather lack of proper procedures and regulatory oversight to monitor risk concentrations. Expanded authorities when granted should be reviewed and require periodic requalification. Risk based capital requirements should be on par with the rest of the financial industry.
- Permissible Investments – Corporate credit union investment powers should be greater than natural person credit unions in order for corporates to provide a return that provides value to their membership. The regulation should clearly define what is permissible, how it is to be monitored, and identify all the risks inherent to the investment options. The regulatory agency should also have clear understanding of the products and be able to monitor and measure risk.
- Asset Liability Management – NCUA should require net interest income modeling and stress testing, particularly in the instance of expanded investment authority. Careful oversight is needed to then make sure these modeling and testing procedures are being followed.
- Corporate Governance – Our credit union has democratically elected board members that are all member owners so should our corporate credit union. Just as in natural person credit unions ongoing education and training of elected officers and officials is very important. Term limits

should be used as long as the duration is not so short that adequately trained and experienced board members cannot be retained. The “outside director” concept is contrary to the very nature of credit unions as they are democratically controlled by their membership.

Any plans to address corporates should first and foremost respect the individuality of each corporate and their membership. Mid Atlantic is a critical component of Wheatland Federal Credit Union’s business model. The current structure allows them to respond to our needs, concerns and requests. We greatly value and appreciate our relationship with the Mid Atlantic and the means by which it allows us to better serve our members needs.

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