



APR07'09 PM 2:12 BOARD

April 3, 2009

Ms. Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: 12 CFR Part 704, RIN 3133-AD58
Corporate Credit Unions

Dear Ms. Rupp and Members of the NCUA Board:

WEA Credit Union appreciates the opportunity to provide comments on NCUA's proposal on Corporate Credit Unions. WEACU is a state chartered, federally insured credit union with assets of \$23 Million representing over 3200 members.

The Role of Corporate Credit Unions

As a smaller credit union, WEA depends on our corporate (Corporate Central Credit Union) for many services. Some of the services we use are ACH, wire transfers, item processing, access to the SimpliCD investment program, and safekeeping of investments. Without their advice, knowledge, and help we would have difficulty providing the services that we offer to our members. Corporate plays a vital role in our day to day operations.

Payment Systems

Isolating payment system services to separate risk is probably not needed. Chartering a Corporate in such a way to limit their authority to engage in only payment systems or to engage in only investment services makes little sense. WEACU currently has the ability to freely and easily manage multiple accounts at Corporate. If WEACU has a large influx of funds from ACH operations it can easily move funds from its checking account to a money market, or other short term accounts. With a simple phone call to Corporate we can purchase structured products or other investments. While this still may be accomplished using two or three different institutions, it's doubtful one could do so as easily and inexpensively.

Liquidity and Liquidity Management

Providing liquidity to credit unions has been and still is a core service for Corporate Credit Unions. Proper tools and analytics are essential for liquidity management. Those tools exist today but must be properly used and interpreted. Further regulations or placing restrictions on cash flow durations are not the answer.

Field of Membership

WEA Credit Union does not support redefining FOM's to a state or region. WEACU should be able to select a business partner based on due diligence it performs. Currently WEACU can select from numerous Corporate Credit Unions to receive a service. Restricting a Corporate Credit Unions' FOM would reduce options for WEACU.

Expanded Investment Authority

Expanded investment authority can certainly bring additional risk to a corporate credit union. Additional risk can be mitigated by requiring higher capital levels.

Structure; two-tiered system

If a wholesale credit union evolved over time it would indicate that perhaps a wholesale credit union is needed. Rather than eliminate the wholesale corporate, a restructuring might be in order. The primary purpose of the wholesale corporate should be short-term liquidity.

Corporate Capital

Redefining various capital requirements would strengthen the Corporate Credit Union Network. If capital requirements are redefined, sufficient time must be given to a corporate to reach that new level.

Core Capital

WEACU supports a 4% core capital requirement that should be defined as retained earnings and paid in capital, with more emphasis on retained earnings. If a Corporate credit union seeks expanded investment authority perhaps a higher core capital level should be realized.

Membership Capital

No change in Membership Capital should be necessary.

Risk-based capital and contributed capital requirements

Should a natural person credit union be required to maintain a contributed capital account with its corporate as a prerequisite to obtaining services from the corporate? That answer should come from the board of each corporate based on their particular membership.

Permissible Investments

Rather than restricting certain types of investments altogether, increased oversight and greater due-diligence on each investment by the corporate could help mitigate risks.

Asset Liability Management

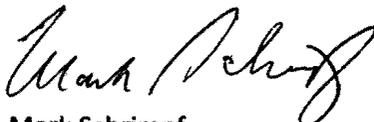
Stress testing and Net interest income modeling are appropriate for corporate with expanded investment authority.

Corporate Governance

A corporates' board should be elected from its membership. That model has worked well. It's what credit unions are all about, don't change it.

Thank you for the opportunity to provide comments on this very important subject.

Sincerely,



Mark Schrimpf
President

cc: Wisconsin Credit Union League