



Credit Union National Association

cuna.org

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May 21, 2009

The Honorable Luis Gutierrez
Chairman
House Subcommittee on Financial Institutions
and Consumer Credit
2128 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Gutierrez:

On behalf of the Credit Union National Association, I want to thank you again for holding the hearing yesterday on the legislation to spread out insurance costs for federally insured credit unions associated with NCUA's assistance to the corporate credit unions. We appreciate your leadership on this and your efforts to achieve passage of the legislation.

Several issues remain about the agency's handling of the corporate credit unions, as we noted in our testimony, and we also very much appreciate your indication that the Subcommittee will monitor the agency's implementation of the new legislation.

One issue that is imminent—agency guidance may be issued tomorrow -- is whether the agency must exhaust capital accounts at WesCorp and U.S. Central, the two conserved corporate credit unions. As we testified, credit unions do not think it is fair or necessary for the agency to shut the door to future recoveries on the mortgage and asset backed securities at the corporate credit unions for the capital holders in those credit unions. Yet that would be the result if NCUA proceeds with its plan to exhaust or deplete the capital – an action that is being taken based on estimates.

We urge you to contact the NCUA board as soon as possible and request the Board to hold off taking this dramatic step until more information can be provided to the Subcommittee regarding the necessity of this action and its ramifications for the entire credit union system.

I would welcome the opportunity to discuss this further with you if that would be useful to you.

Thank you again, Mr. Chairman, for your leadership and support for the credit union system. We are very grateful.

Sincerely,

A handwritten signature in black ink that reads "Daniel A. Mica".

Daniel A. Mica
President & CEO



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