



July 24, 2020

Gerard Poliquin, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

RE: NCUA Proposed Rule – Corporate Credit Unions RIN 3133-AF13

Dear Mr. Poliquin:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the National Credit Union Administration's Proposed Rulemaking regarding Corporate Credit Unions. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.6 million consumers.

We appreciate NCUA's intent to clarify and simplify Part 704. There are parts of the proposal that we support and others where we suggest changes. We support corporate credit unions having the ability to make a de minimis non-controlling investment in a natural person CUSO without the CUSO being considered a corporate CUSO. In addition, we support controlling interest thresholds of 25% for individual corporate and 50% for all corporates in a natural person CUSO to make the CUSO a corporate CUSO. However, ICUL does have concerns with the way the proposed CUSO definition aggregates concentration limits. As proposed, we are concerned that combining loan and investment balances in the aggregate concentration limits will have an adverse effect on natural person CUSOs by limiting funding sources and we ask NCUA to find a different way to approach this issue that will not hurt natural person CUSOs.

ICUL also supports the proposed expansion of senior staff positions eligible to serve on a corporate's board of directors. By more broadly stating the eligibility of a senior staff position at a member credit union, it creates an opportunity for other very qualified individuals to serve on the board.

We support removing the experience and independence requirements for the risk management expert and allowing corporates to have more discretion in choosing an adequate risk management expert. The change will provide corporates with the flexibility of either engaging with an outside consultant or a qualified internal risk management expert.

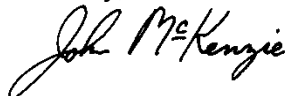
The proposal clarifies that corporates may purchase subordinated debt of a natural person credit unions. ICUL supports this proposed change and believes it will allow another source of funds for the issuing credit union. We also support subordinated debt being deducted from the corporate's tier 1 capital.

ICUL asks NCUA to reconsider including in Part 704 the permissible corporate CUSO activities. We appreciate NCUA's effort to be more transparent by including the activities in the rule; however, this approach limits the agency's timely response to future changes to the list of permissible activities. To go through the rulemaking process each time seems to be overly burdensome and an added delay to a process over which NCUA already has oversight. Given the current environment and continuous and frequent

changes in innovation, we believe it is important for the industry and NCUA to have flexibility in approving future activities outside of the rulemaking process.

We appreciate the opportunity to comment on the proposed rule and ask NCUA to consider our recommended changes. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

A handwritten signature in black ink that reads "John McKenzie". The signature is written in a cursive style with a large, stylized "J" and "M".

John McKenzie
President, Indiana Credit Union League