

June 21, 2006

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VIA e-mail: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

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

RE: 12 C.F.R. Part 745; *Share Insurance and Appendix*

Dear Ms. Rupp:

WesCorp appreciates the opportunity to comment on NCUA's Interim Final Rule on Share Insurance. WesCorp has a national field of membership and serves 1,063 credit unions in 43 states plus Guam, offering balance sheet solutions and payment systems services.

WesCorp would like to limit its comments to § 745.7 of the Interim Rule, "Shares Accepted in a Foreign Currency," and NCUA's commentary relating to that section. WesCorp anticipates that, to the extent that credit unions will ever act to create such share types, they will look to partner with Corporates such as WesCorp to fashion the kinds of companion investment structures that would be necessary to match such shares.

While it is very good that the NCUA is embracing enabling rules that give credit unions flexibility of action in the global environment, it is somewhat incomplete to adopt a Regulation that permits a credit union to take in NCUSIF-insured shares denominated in a foreign currency (a balance sheet liability) while prohibiting any and all manner of investing, deploying or making use of such funds (the asset side of the balance sheet) – except only following a waiver application process with no specified criteria stated. (Indeed, any credit union merely taking in such foreign currency funds by wire or check collection, as would be the norm, will necessarily need to have established a deposit account of its own denominated in that currency with another financial institution, but that is prohibited.)

If the intention is to allow credit unions to take foreign currency deposits/shares but have them apply to the NCUA for waivers to permit investment or conversion (foreign exchange) activity in every case, this will effectively limit the proper application of the regulation to a very few large and sophisticated credit unions, whereas smaller credit

union, particularly near the international borders of the United States could well use these powers.

Rather, it would appear that a universal waiver allowing credit unions to place non-US Dollar deposits in like investments at pre-approved corporate credit unions would provide a framework for all credit unions to use without any additional potential safety and soundness issues. Corporate credit unions would have to apply for a waiver from the NCUA to be granted “approved investment” status. This means that the NCUA would only have to handle a handful of waiver requests and could also draw comfort from the market discipline that approved corporate credit unions would exercise in determining realistic pricing for deposits taken. By limiting those considerations to the larger and proven more sophisticated corporate credit unions, all credit unions would be able to offer this service with clear professional guidance as to structure and pricing and the NCUA can take comfort in the controls that the corporate credit unions will be exercising in supporting this activity.

Again, WesCorp appreciates the opportunity to comment on NCUA’s Interim Final Rule on Share Insurance

Sincerely,



Bob Siravo  
President/CEO