



February 21, 2012

Mary Rupp
Secretary to the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: NASCUS Comments on Proposed Rulemaking for Part 741, Maintaining Access to Emergency Liquidity

Dear Ms. Rupp:

The National Association of State Credit Union Supervisors (NASCUS)¹ takes this opportunity to provide comments on NCUA's Advance Notice of Proposed Rulemaking (ANPR) Part 741, Maintaining Access to Emergency Liquidity. Liquidity planning, including contingency or emergency liquidity planning are essential for the safe and sound operation of any financial institution. We note that state regulators participated in the development of the Federal Financial Institution Examination Council (FFIEC) liquidity guidance issued in March, 2010.²

NCUA's ANPR proposes identifying four federal sources of emergency liquidity that would meet liquidity requirements. NASCUS recommends NCUA give more consideration to allowing credit unions the flexibility to access a full range of options in their liquidity contingency planning. With respect to the wind down of U.S. Central Bridge Corporate and the pending redemption of the Central Liquidity Facility (CLF) stock, it appears doubtful that the remaining corporate credit unions will serve as agents on behalf of their natural person credit union members. A majority of the credit union system will have to make alternate liquidity contingency plans. Before proceeding to proposed rulemaking, NASCUS recommends NCUA discuss both appropriate sources of liquidity for credit unions as well as the policy of maintaining or terminating the CLF.

NASCUS and state regulators remain committed to working with NCUA to mitigate material risk throughout the credit union system, and appreciate the opportunity to submit comments on this ANPR. We would be pleased to discuss these comments at NCUA's convenience.

Sincerely,

- signature redacted for electronic publication -

Brian Knight
SVP Regulatory Affairs & General Counsel

¹ NASCUS is the professional association of the nation's state credit union regulatory agencies.

² 75 Fed. Reg. 13656 (Mar. 22, 2010).