



www.townandcountry.org  
e-mail: info@townandcountry.org  
Toll Free: 1-800-872-6358

April 25, 2016

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

Dear Board:

Town & Country Credit Union (TCCU) appreciates the NCUA board giving us the opportunity to comment on the Overhead Transfer Rate (OTR). We understand there are costs associated with insuring and examining credit unions, but are concerned about the way the OTR is calculated and the rate at which the OTR is growing. TCCU believes state chartered credit union are paying an unfair share of these costs.

From a newsletter, published by the North Dakota Department of Financial Institutions, it is our understanding that North Dakota State Chartered Credit Unions contributed and estimated \$500,000 to the operations of NCUA through the OTR process. We understand this is not a direct expense to North Dakota State Chartered Credit Unions, but these funds are not used to offset insurance losses and/or are not paid back to state chartered credit unions in form of a dividend on the National Share Insurance Fund (NCSIF). So in this way, the OTR has an impact on our "bottom line."

From our review, it is our opinion, the NCUA has artificially reduced federal credit unions operating fees at the expense of state chartered credit unions. Due to the weaknesses within the OTR methodology, state chartered credit unions are indirectly subsidizing the safety and soundness examinations of federally chartered credit unions.

Again we appreciate the NCUA board affording us the opportunity to comment and look forward to further dialogue concerning this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Landsiedel".

John H. Landsiedel  
Chief Financial Officer  
Town & Country Credit Union

• Minor Main: 701-852-2018 • Minor South: 701-852-8300 • Kenmare: 701-385-4051 • Ryder: 701-758-2269 • Stanley: 701-628-2114 •  
• 25th Street Fargo: 701-356-1720 • Sanford Medical Center Fargo: 701-356-1750 • 32nd Avenue Fargo: 701-356-1800 • West Fargo: 701-356-1760 •