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B. Dan Berger
President & Chief Executive Officer

National Association of Federally-Insured Credit Unions

November 14, 2017

The Honorable J. Mark McWatters
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Overhead Transfer Rate Methodology

Dear Chairman McWatters:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I am writing to you regarding the upcoming November 16, 2017 Board Meeting, when the Board will consider the National Credit Union Administration's (NCUA) proposed revision to the Overhead Transfer Rate (OTR) methodology. When considering the matter, NAFCU asks that you support a methodology that is based on fairness and accuracy, and avoid any changes that would sacrifice quantifiable data inputs in the name of simplicity.

NAFCU has long-held that NCUA should prioritize fairness, accuracy, and equity. In matters that can be perceived as partial, it is of the utmost importance to ensure that these goals are achieved. However, as NAFCU wrote in August 2017, the proposed methodology could introduce subjectivity and principles-based biases into the formula.

The current OTR methodology has a long history and has been vetted by third-parties. It is worth improving instead of migrating to a new largely subjective system. Should you have any questions or would like to discuss these issues further, please do not hesitate to contact me at (703) 842-2215.

Sincerely,

B. Dan Berger