



Opportunities

CREDIT UNION

We don't say no, we say when!

Creating Financial Opportunity For Vermonters

November 13, 2008

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

ATTN: Comments on FHLB Advances

Dear Mr. Feldman:

I am writing for Opportunities Credit Union which is chartered as a Vermont community development credit union with a further certification from the US Treasury as a Community Development Financial Institution. I am concerned with the proposed ruling concerning deposit insurance assessments.

The FHLB Boston advances serve as a consistent source of liquidity for Opportunities Credit Union. The availability of FHLB Boston advances is an integral part of wholesale funding needed to accomplish our mission as both a CDCU and CDFI. We have limited access to other sources of cost-effective funding and rely on FHLB Boston advances as a critical tool for managing our assets and liabilities as well as implementing our business plans. To penalize our usage of FHLB Boston funding I believe is contrary to the current efforts by the government to restore liquidity and bolster confidence during this period of extreme economic problems.

As I understand this proposal, Opportunities Credit Union would be faced with several undesirable outcomes if we used advances in excess of 15% of our deposits. OCU would have to increase our funding from the national CD market which will lead to a higher cost of funds for us. We have experienced some liquidity problems of higher cost of funds while attempting to maintain our existing deposits. Our mission to bring financial opportunity to moderate and low income Vermonters would be negatively impacted as we would be forced to decrease lending and helping our members achieve financial stability during this time of economic uncertainty. The impact of financial turmoil is hardest on those individuals on the lower rungs of the ladder.

FHLB Boston advances function as a critical source of housing and community development purposes for Opportunities Credit Union and help sustain our prudent financial management policies and procedures. I would strong request the FDIC not adopt a policy which would penalize OCU and other community financial institutions based on our FHLB advances. Even though OCU does not pay FDIC premiums, I would hope you would review the impact and implication of deposit insurance coverage as well as other factors before proceeding with assessment reforms.

Sincerely,

Maurice F. Green
Chief Financial Officer

ADMINISTRATIVE OFFICES 18 Pearl Street, Burlington, VT 05401 P: 802.865.8328 or 802.865.3404 F: 802.862.8971

MEMBER SERVICES 192 North Avenue, Burlington, VT 05401 P: 800.865.8328 or 802.865.3404 F: 802.860.6123