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Submitted *via* email: boardcomments@ncua.gov

December 1, 2017

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: CUNA Comments on NCUA 2018-2022 Draft Strategic Plan

Dear Mr. Poliquin:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the National Credit Union Administration (NCUA) 2018-2022 Draft Strategic Plan. CUNA represents America's credit unions and their 110 million members.

CUNA appreciates and supports NCUA's ongoing implementation of a more flexible examination schedule, including extended cycles up to 20 months, and virtual examinations with remote monitoring. NCUA's commitment to modernization in this area, as demonstrated by increasing leverage of technology resources as a long-term cost savings is both innovative and laudable among financial regulators. We appreciate that balancing the value in reduced staff travel and remote assessment with the value in having on-site examiners to develop relationships and insight in the field is a delicate challenge, one that CUNA certainly is available to assist with any improvements. CUNA maintains that any measurable savings in time and resources spent on the supervision process would positively impact credit unions, regardless of operational structure and products offered.

Regarding safety and soundness, the Plan seeks to maintain a robust Share Insurance Fund (NCUSIF), including managing losses while maintaining high-quality and efficient supervision. As stated in previous comments, CUNA believes the NCUA Board should revert the normal operating level to its traditional 1.3% ratio as soon as possible. Given analysis of the industry positions during moderate and severe recessions since 1990, the Share Insurance Fund has demonstrated the ability to effectively withstand economic risk at equity ratios below 1.3%.

As NCUA continues to work through the recommendations outlined in the Regulatory Reform Agenda, CUNA is keenly interested in the future treatment of Bank Secrecy Act compliance reporting requirements, as CUNA believes they should be increased to reflect economic realities since the 1970s, when the initial thresholds for currency transaction and suspicious activity reports were determined. At minimum, these thresholds should be increased to $20,000, though

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recent legislation aims for increases to $30,000. Indeed, merely adjusting the original $10,000 threshold for inflation would bring the threshold near $25,000 in today's dollars. In the interest of effecting regulatory improvements that do not impact safety and soundness principles, but rather reduce the compliance burden, anti-money laundering could not be a better poster child. While transactions greater than $5,000 and $10,000 were not as plentiful nearly a half-century ago, the current thresholds are so low that law enforcement agencies are overrun with reports—leaving investigative tasks akin to locating "a needle in a haystack," slowing down efforts to track and locate actual criminal financiers.

Furthermore, while CUNA appreciates recent improvements to the NCUA appeals process, CUNA maintains interest in the agency funding an independent third-party review of field examiners. Any such review would provide an unbiased method to collect data on field examination consistency across the regions, as well as to help identify areas of success and improvement. This data would help inform the agency to direct and allocate efficient use of agency training and merit resources.

CUNA further values NCUA's willingness to exert its statutory authority as the functional regulator for credit unions, in the wake of statutory and regulatory overreach by the Consumer Financial Protection Bureau (CFPB). CUNA firmly believes that communications to member-owners ought not be restricted. Credit union member-owners welcome and expect information from their financial cooperative and communications should not be restricted because of the antiquated Telephone Consumer Protection Act (TCPA) statute and the FCC's onerous interpretations of it. These restrictions on communications to member-owners have a direct impact and effect on credit unions, and given modern consumer preferences, can act as an unnatural barrier to market retention and growth that over the long-term could severely harm the industry.

Thank you for the opportunity to comment on this proposal. If you have questions concerning this letter, please feel free to contact me at 202.626.7627.

Sincerely,

Monique Michel
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