



May 23, 2011

Mary Rupp, Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

Re: Comments on Proposed Rule related to Interest Rate Risk Policy – 12 CFR Part 741

Dear Ms. Rupp:

Please accept this response as input to the interest rate risk policy proposal as solicited by the National Credit Union Administration (NCUA). The proposed rule starts with “NCUA proposes to amend its regulations to require Federally insured credit unions to have a written policy addressing interest rate risk (IRR) management and an effective IRR program as part of their asset liability program.”

The need for this new **written** policy requirement is unsupported based on several comments included by the NCUA in the proposal as follows:

- The above first paragraph ends with “...as part of their asset liability program”. Current NCUA regulations do not require an asset liability program. Asset liability management is only mentioned twice in the NCUA regulations in the Investment and Deposit Activities section. We all understand that an effective asset liability program is needed and **we are not insinuating that a written** asset liability management program requirement is needed. Our point is interest rate risk is only a portion of the asset-liability program that also includes other risks (i.e. concentration, liquidity) and these risks are managed and controlled differently based on each credit union’s own circumstances.
- The proposal states “In the past, NCUA issued guidance on ALM and IRR management in Letters to Credit Unions and **believes FICUs generally are managing IRR adequately.**” Certain guidance has been issued in the past 12 months. So the question is what has changed significantly to change your beliefs.
- Another comment in the proposal states “NCUA estimates, however, that approximately **75% of these credit unions already have interest rate risk policies in place** as part of their lending and asset management policies.” The NCUA should be dealing with the credit unions which do not have written policies on an individual basis during the regular examination process.

I appreciate the opportunity to respond, but it appears that the NCUA already should have determined that there is no need to implement this proposal to require a **written** interest rate risk policy. By continuing to implement additional detail requirements not only places additional burden on credit unions, but it also begins to “water down” and take away from the necessary requirements.

Sincerely,

Ronald Kampwerth, CFO  
Anheuser-Busch Employees' Credit Union