

**From:** [John McKenzie](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Re: Comments on Proposed Rulemaking for Part 741, Interest Rate Risk Proposal  
**Date:** Monday, May 23, 2011 6:59:32 PM

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Ms. Mary Rupp  
Secretary to the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

Re: Comments on Proposed Rulemaking for Part 741, Interest Rate Risk Proposal

Dear Ms. Rupp:

The Indiana Credit Union League (ICUL) appreciates the opportunity to comment on the NCUA Proposed Rule addressing interest rate risk (IRR) policies. The ICUL represents 90% of Indiana's credit unions with those credit unions' memberships totaling more than two million members.

While the League supports the need for all credit unions to manage IRR, we do not support the proposal. We believe that NCUA has sufficient authority to monitor credit union IRR management without implementing additional regulatory requirements. Also, compliance with IRR management must be tailored to a credit union's specific situation (e.g., market, financial condition and membership needs), which means it is subjective. So, making the examination and share insurance evaluation contingent upon this degree of examiner subjectivity in this manner is not the best approach.

Further, NCUA already has the authority to require an IRR policy for all federally insured credit unions. Examiners already risk assess credit unions and require detailed ALM policies; and NCUA has provided guidance for credit unions via the January 2010 advisory from Federal Financial Institutions Examination Council. The proposal follows that advisory very closely, which would make it redundant.

The League appreciates NCUA's attempt to exclude small credit unions from some of the regulatory burden. If this proposal proceeds, asset size should not be the only criteria. The complexity or concentration associated with the credit union's financial situation should either trigger or exempt it from the proposed requirements. Again if the proposal proceeds, we also believe the effective date or phase-in period for compliance should be at least one year.

In conclusion, the League is opposed to the proposed rule, and urges NCUA to consider that it already possesses sufficient supervisory means to address its concerns. We encourage NCUA to reconsider implementing these proposed rules. Now is the time for NCUA to support credit unions through regulatory reform and reducing the compliance burden, not increasing the burden and resulting costs.

We thank the NCUA Board for the opportunity to comment. If you have questions or would like additional information, I can be contacted at [johnm@icul.org](mailto:johnm@icul.org) or 317-594-5320.

Sincerely,

John McKenzie  
President, Indiana Credit Union League