

December 31, 2013

National Credit Union Administration
Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

Sent via email: regcomments@ncua.gov

Re: Comments on Proposed Rule – Capital Planning and Stress Testing

Dr. Mr. Poliquin:

On behalf of CoastHills Federal Credit Union, I would like to commend the Board for the focus on stress testing, which I believe is an important component of maintaining safe and sound operations for all credit union members. However, alternatives are available for how the Board may proceed with an increased focus on stress testing. Rather than moving forward with an expensive stress testing program limited to a small number of institutions, I recommend that the Board consider issuing similar guidance through the examination and supervision process. This should be scalable to avoid undue burden to smaller institutions.

More specifically, I recommend the following for consideration by the Board:

- Specify broad parameters for a pilot program of stress testing, to promote comparability.
- Review stress tests results prepared by credit unions.
- Use the information from the pilot program to refine parameters.
- Take public disclosure off the table until a pilot program is completed; then, re-evaluate the benefits and drawbacks of such disclosure.

My opinion is that the NCUA has not adequately substantiated the need for the proposed new regulation. Starting with the proposed level of expense and punitive provisions could lead to needless and heightened conflict between the NCUA and supervised credit unions. A more gradual and less formal approach seems better poised to move forward with this important focus.

I would be pleased to further discuss this with NCUA staff or the Board, if desired.

Sincerely,



Marty Chatham
Senior Vice President & Chief Financial Officer