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May 04, 2015

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

RE: NCUA-2015-0013-0001; RIN 3133-AE45; Proposed Rule Small Entity Definition

Dear Mr. Poliquin,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the Proposal for Small Entity Definition. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 136 Georgia credit unions that have over 2 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

GCUL is appreciative that NCUA is reviewing the Regulatory Flexibility Act (RFA) again, as its last review was in 2013. We feel that in order to keep up with the changing needs of credit unions, NCUA should continue to review this rule on a timely basis. Every two years seems like an appropriate length of time.

We support the proposal to amend the definition of small entity for RFA, but believe that NCUA should look at increasing that amount higher. With the extension of the RFA from 50 million to 100 million or even higher we have concerns about extending the services provided today from the Office of Small Credit Union Initiatives (OSCUI) services to even larger numbers of credit unions.

First, while we support raising the limit for RFA to \$100 million, we feel that this asset size is too low. To be consistent with other federal regulatory agencies definitions of small institutions, we believe that the asset size should be set at \$550 million. The Federal Deposit Insurance Corporation (FDIC) bases its RFA on an asset level of \$550 million or less. The Small Business Administration (SBA) also sets the small business size standard at \$550 million in assets. From a parity standpoint, it is logical that setting NCUA's asset threshold at \$550 million for RFA would be appropriate. If NCUA was willing to set the limits for risk based capital to be on par with

banks, then NCUA should be willing to raise the RFA for credit union to the same threshold as banks. However, if NCUA is hesitant to raise the threshold to \$550 million at this time, we would ask NCUA to consider a higher limit of \$250 million. And again, we ask NCUA to revisit the RFA asset threshold at regular intervals.

We support raising the limit to \$100 million for credit unions to obtain OSCUI's services. This will have a positive impact on small credit unions and provide more credit unions with assistance from the OSCUI. However, it is reasonable to assume that having a larger universe of credit unions to serve will definitely impact the OSCUI's ability to deliver services to credit unions. OSCUI needs to take this into consideration in the planning and delivery of its services. Is the OSCUI capable, at this time, of taking on the additional responsibility? While we welcome affording more credit unions added opportunities, we do have concerns with increasing the threshold in this case. We know that credit unions will appreciate the extra assistance, but wonder if credit unions would be better served to keep the threshold at a "reasonable" level (keep it at the current \$50 million or only slightly increase to \$75 million), so that the OSCUI isn't spread too thin. We feel that determining whether or not a credit union is considered "small" isn't always best addressed just by asset size.

As we stated in previous letters to NCUA, small credit unions in Georgia continue to merge at an alarming rate. Georgia has many small credit unions that are already devoting a significant proportion of resources to meet changing regulatory requirements. If NCUA is genuinely committed to providing regulatory relief to credit unions, then it should consider having two separate limits for the RFA and OSCUI services. Having separate limits would in no way dilute this rule. It would just make the rule more appropriate, as these are two completely different measures for a credit union and they should have thresholds set at what will best benefit credit unions. We would like to see NCUA focus on truly small to mid-size credit unions in order to stop the reduction in the number of credit unions not just here in Georgia, but nation-wide.

GCUL appreciates the opportunity to present comments on behalf of Georgia's credit unions. Thank you for your consideration. If you have questions about our comments, please contact Selina Gambrell or Cindy Connelly at (770) 476-9625.

Respectfully submitted,

A handwritten signature in cursive script that reads "Selina M. Gambrell". The ink is dark and the signature is fluid and legible.

Selina M. Gambrell
Compliance Specialist