



May 14, 2014

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

Re: Risk Based Capital Proposal

Dear Mr. Poliquin:

Envision Credit Union supports requirements for credit unions to remain financially strong and vibrant in order to serve their mission. Our credit union was founded, and continues its focus on the education community. We are a low income designated credit union and work hard to provide financial services for all of our membership within a well-capitalized framework.

We believe that this proposal (in its current form) will significantly reduce our credit unions competitive opportunities. As one of the 200 or so credit unions that will fall from well capitalized to adequately capitalized, this proposal will place additional pressure on Envision to increase capital further. Over the last four years (the most difficult time for our country and our membership) we have provided over \$3.0 million in member giveback and direct financial support to teachers and students while increasing capital and reducing risk. If this proposal stays in its current form we will be forced to alter our strategic direction which will impact our ability to continue these types of member giveback and financial support.

Some of our specific concerns are as follows:

1. The risk weightings outlined are general in scope and do not account for specific variables related to each asset classification such as loan to value ratios of loans, repricing structures of MBL's, risk rating of individual securities, etc.
2. Basing risk weightings on the average life of a security is not consistent with Basel III. Banks will have the same risk weighting on all maturities.
3. Basing risk weightings of balance sheet assets for Interest Rate Risk without incorporating the funding strategy does not provide a true risk measurement within a fundamental ALM process.



Our credit union (like many others), has negotiated the record low rate environment in a way that improved our Interest Rate Risk. Envision has received two separate NCUA Capital Market Examinations and have been found to manage ALM very effectively.

4. This proposal has significantly increased risk weightings for investments in CUSO's. Envision has several investments in CUSO's and is reaping the benefits in data processing, imaging services, indirect lending and business lending.
5. The implementation timeframe is not at all consistent with BASEL III. Eighteen months is simply not enough time.
6. Allowing for an Individual Minimum Capital Requirement process undermines the need for a predefined calculation. Envision believes that the NCUA already has an established process for monitoring a credit unions performance and documenting steps for improvement.

Again, we support requirements for credit unions to remain financially strong and vibrant in order to serve their mission. We are a proponent for a strong insurance fund and are proud that the NCUSIF is the strongest of all financial insurance funds. We are a proponent for Risk Based Capital regulation that provides the appropriate risk concepts. We believe those are found by aligning the risk weightings and timeframe to implement those weightings within the BASEL III methodology.

We believe Chairman Matz when she says that the regulation will be implemented in a way that strikes the fairest balance between the requirements of the law, the mission to protect safety and soundness and the effort to minimize any adverse impact on credit unions. We sincerely ask that the NCUA will listen to the voices of the credit union industry, our Congress and Senate and others that are working to create the necessary regulation that allows for credit unions to continue to serve the 98 million credit union members.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Worrell", with a long horizontal flourish extending to the right.

Darryl G. Worrell
President/CEO Envision Credit Union