

April 14, 2015

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

RE: Comments on Proposed Rule: Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

We wish to thank the NCUA board and staff for taking the time to read and review the thousands of comment letters the agency received, and for addressing so many of the concerns that were raised. We appreciate the approach taken by NCUA to put together a regionally diverse risk-based capital workgroup to provide technical feedback and practical input on how specific provisions would impact credit unions. We would encourage the NCUA to continue this practice with all substantive rules in the future and to utilize the workgroups at the beginning of the rulemaking process.

We have reviewed the latest proposal to the risk-based capital rules and want to comment on a few of the issues. The NCUA made many positive changes to the risk weightings; however, the risk weights for CUSO investments and mortgage servicing rights remain too high and could affect a credit unions' ability to own and operate CUSOs and hold mortgage servicing rights. We recommend the NCUA consider reducing the risk weightings for these two areas.

The proposed definition for a complex credit union is too simple based on asset size. We recommend that a complex credit union definition be based on factors such as deposit account types, member services, loan and investment types, and portfolio composition. This approach is more consistent with the Federal Credit Union Act which requires NCUA to consider "the portfolio of assets and liabilities" of credit unions when determining whether they are complex.

Supplemental capital is and will continue to be an important topic of conversation for the industry. We support the inclusion of supplemental capital by credit unions in the RBC numerator. Although current law does not permit the use of supplemental capital as net worth, NCUA should consider authorizing supplemental capital's use for RBC.

Thank you for your consideration and support on these very important issues for protecting and ensuring the health of the credit union industry.

Sincerely,

Greg Spear
CFO
Unitus Community CU

cc: CUNA, CCUL