



April 24, 2015

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

Re: Comment on Proposed Rule: PCA - Risk Based Capital
RIN 3133-AD77

Ladies and Gentlemen:

Numerica Credit Union (Numerica) appreciates the National Credit Union Administration's (NCUA) work in revising the proposed Risk Based Capital Rule ("Proposed Rule"). The NCUA thoughtfully revised the initial version of the Proposed Rule taking into consideration many of Numerica and other credit union's comments. We also want to thank the NCUA for republishing the revised rule for comment. Given the importance of the Proposed Rule we greatly appreciate the opportunity to comment on the revised Proposed Rule.

As background, Numerica is a \$1.4 billion Washington State chartered credit union based in Spokane Valley, Washington and serves over 108,000 members in the State of Washington and Northern Idaho, although our in Washington membership base primarily rests in Central and Eastern Washington.

After reviewing the revised Proposed Rule we did have the following comments:

Definition of Limited Recourse.

The definition of limited recourse for loan sales/participations needs to be clarified. From the definition we cannot discern if typical representations and warranties relating to loans given in private sale participation agreements would be considered limited recourse. This ambiguity may have a chilling effect on loan participations and loan sales until such time as the definition is clarified.

We request that the definition of limited recourse follow the requirements of risk/reward set forth in Generally Accepted Accounting Principles (GAAP). Thus, if a sale of a loan or participation therein would qualify as a sale under GAAP, no limited recourse for the purpose of the Proposed Rule would exist. We request that the definition of limited recourse be defined as requested.

Interest Rate Risk (IRR)

The NCUA requested comment on alternative approaches on IRR for future proposals. Unfortunately a one size fits all systematic equation will not work for credit unions due to the diversification of asset and liabilities in each credit union and the IRR mitigation techniques of each credit union. Numerica believes that IRR is an important element of overall asset liability management and, as such, should be an integral part of the Safety and Soundness exams. Keeping IRR as part of the overall safety and soundness review, rather than a set metric, is a much more effective means of prudent oversight.

In conclusion, we thank you for the opportunity to comment of the revised Proposed Rule and hope that the NCUA carefully considers these comments, as well as those of other credit unions, and thoughtfully revises the Proposed Rule.

Sincerely,



Lynn Ciani
EVP – General Counsel
Numerica Credit Union