

March 4, 2015

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

Dear Mr. Poliquin:

On behalf of NorthCountry Federal Credit Union, I am writing to comment of the proposed Risk Based Capital Rule (RBC2).

We appreciate the effort and care, on the part of NCUA staff and Board, that went into the revisions from the original proposal and are overall pleased with the revised proposal. We do believe the Credit Union system should have Risk Based Capital requirements, which will protect the insurance fund, and other well run credit unions, by requiring credit unions with more complex balance sheets to hold modestly more capital. With the revisions, the rule strikes a good common sense approach to minimum net worth requirements.

We do ask the Board and staff to consider revising the definition of a member business loan for RBC2 purposes and make the definition consistent with NCUA Reg 723. Under RBC2, all commercial loans, even those under the \$50,000 minimum set by Reg 723, are subject to the MBL risk weights. In addition, RBC2 sets different weights based on the type of commercial vehicle secured. Finally, MBLs secured by 1-4 family residences are left out of the RBC calculation but are still considered MBLs under Reg 723. We believe these nuances will be immaterial to a credit union's minimum net worth requirement but will add unnecessary administrative burden in the quarterly 5300, by requiring multiple different calculations for what is considered a member business loan, whether it is for Reg 723 or RBC2. We recommend a revision to bring consistency to these which will make the preparation of the 5300 report less burdensome than it otherwise would be.

I appreciate the NCUA taking the time to consider this comment letter and suggestions and am hopeful the revisions will be included in the final rule.

Sincerely,



Bob Morgan
Chief Executive Officer