

March 26, 2015

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

Risk-Based Capital, 80 FR 4340-01

Dear Mr. Poliquin:

I am writing to you today as the CEO for Cheektowaga Community FCU, an \$ 11.4 million asset institution. Although a credit union of my size will not be directly impacted by an RBC framework, all credit unions have a stake in insuring that NCUA properly balances the need for proper oversight against the need to give credit unions the flexibility to grow and serve their members.

I agree with NCUA's proposal to raise to \$100 million dollars the asset threshold for RBC compliance. It is appropriate to assume that any credit union of this size is complex and represents a potential risk to the Share Insurance Fund, if mismanaged. Furthermore, I would not define a credit union as complex with reference to the type of products it provides. By using an asset size threshold, the NCUA provides credit unions with a bright line rule and eliminates the difficulty of having to anticipate what products and services should be classified as complex. After all, the financial services industry is anything but static.

For similar reasons, I also believe that NCUA should have the authority to mandate that individual credit unions maintain buffers in excess of the regulatory minimums to be well-capitalized. No RBC system, no matter how well designed, can anticipate all of the unique safety and soundness issues that will arise. However, NCUA should use its power to mandate larger buffers for individual credit unions only in those situations where the RBC framework does not appropriately account for unique safety and soundness concerns.

As an industry stakeholder, I have been pleased by NCUA's willingness to consider industry comments and make appropriate adjustments to this proposal. I believe that we need an RBC framework that is no more complicated than necessary to accomplish its primary goals of safety and soundness. Therefore, I encourage the NCUA to continue to refine its RBC plan in response to the comments made by myself and other interested stakeholders.

I hope these comments will be helpful in your review.

Sincerely,

Andrew Godfrey
CEO
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