



November 16, 2017

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

Subject: Comments on NCUA Regulatory Reform Agenda

Dear Mr. Poliquin:

Coastal Federal Credit Union appreciates the opportunity to respond to the NCUA Board regarding the Regulatory Reform Agenda. Coastal is headquartered in Raleigh, North Carolina with \$2.8 billion in assets serving 21 physical branches and more than 240,000 members.

We would like to commend the NCUA for taking this very important step on the heels of the Executive Order (EO) signed in February of this year. It is noted that the NCUA is not subject to EO 13777 but is proactive and forward thinking enough to decide to comply with the spirit of the Executive Order. With the current regulatory burdens that have become difficult to manage, it is an opportune time to refocus attention on identifying those regulations that should be repealed, replaced or modified. With that said, we welcome the opportunity to answer the questions posed by the NCUA and our responses are as follows.

- 1) We feel the following reform ideas would be the most beneficial to Coastal.
 - i) Risk-Based Capital
 - ii) Purchase of Assets and Assumption of Liabilities
 - iii) Investment and Deposit Activities
 - iv) Security Program, Report of Suspected Crimes, Suspicious Transactions, Catastrophic Acts, and BSA Compliance
 - v) Records Preservation Program and Appendices – Records Retention Guidelines; Catastrophic Act Preparedness Guidelines

2. It is our opinion that the NCUA has cast a wide enough net to capture the regulations that cause undue burden and require some updating or elimination. It is a great starting point to begin this arduous process. The list will no doubt be fine-tuned by the solicitation for comments. We look forward to the subsequent report in the second quarter of 2018 that will incorporate the feedback and recommendations from credit unions. It's a solid process to develop a workable blueprint.

3. The tier structure based on level of effort to implement and the degree of their impact seems an appropriate and workable strategy. We also agree on the prudent tactic of reassessing the timelines based on feedback and recommendations from credit unions.

4. Coastal supports the NCUA's proposal to temporarily cease its annual one-third review of regulations and to focus solely on the Regulatory Reform Agenda. We feel that this is would be a redundant endeavor given that this project will encompass and negate the need for additional review.

5. Coastal would welcome the opportunity to participate in the following workgroups:

- i) Security Program, Report of Suspected Crimes, Suspicious Transactions, Catastrophic Acts, and BSA Compliance
- ii) Records Preservation Program and Appendices – Records Retention Guidelines; Catastrophic Act Preparedness Guidelines

We again are appreciative of the NCUA's efforts and for the opportunity to opine on this worthwhile initiative.

Sincerely,

Chuck Purvis
Chief Executive Officer
Coastal Federal Credit Union