BAFS
BUSINESS ALLIANCE
FINANCIAL SERVICES, LLC.

February 11, 2014

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

RE: NCUA Risk-Based Capital Rule

Dear Secretary Poliquin:

Business Alliance Financial Services, LLC is a member business lending Credit Union Service Organization (CUSO) located in Monroe, LA. Our company currently represents fourteen (14) Credit Unions within the south-central United States, and are listed as follows:

Arkansas Federal Credit Union – Little Rock, AR
ANECA Federal Credit Union – Shreveport, LA
Barksdale Federal Credit Union – Shreveport, LA
Carter Federal Credit Union – Springhill, LA
Centric Federal Credit Union – West Monroe, LA
CSE Federal Credit Union – Lake Charles, LA
E Federal Credit Union – Baton Rouge, LA
Heart of Louisiana Federal Credit Union – Pineville, LA
Louisiana Federal Credit Union – LaPlace, LA
Neighbors Federal Credit Union – Baton Rouge, LA
Pelican State Credit Union – Baton Rouge, LA
Post Office Employees' Federal Credit Union – Metairie, LA
Red River Employees Federal Credit Union – Texarkana, TX
Timberline Federal Credit Union – Crossett, AR

As MBL's are considered one of the "high risk" elements associated with a "complex" credit union, the services that we provide our credit union members is obviously impacted by the proposed NCUA Risk-Based Capital Rule. While we feel that certain calculations within the risk-based formulas may require further scrutiny, we support the spirit and purpose of the newly proposed Risk-Based Capital Rule for the following reasons, specifically as they relate to the MBL component:

1. Credit Unions that maintain the infrastructure to adequately underwrite, document, perfect security, monitor/manage individual credits, and monitor/manage portfolios should be given the ability to perform those services for the benefit of their members, and allocate the capital to do so. In keeping with this risk-based capital measure, the member business lending cap currently applied should be removed, as credit unions pursuing higher levels of MBL's would be required to maintain a capital base commensurate with those levels. It is our opinion that this method of governance is more likely to protect the NCUSIF from long term losses versus the previous guidelines.

2. We have long felt that the risk-based capital measures applied by the NCUA should be consistent with other Federal Banking Regulatory Agencies. In keeping with that consistency, credit unions that employ best practices, and are willing to allocate capital to those services, should be allowed to compete and offer services to their members without the lending cap limitations currently invoked.

We are confident that the credit unions that we represent employ the best attributes that a MBL program could have. They strive each day to meet the needs of their members while understanding and applying risk mitigating measures to ensure a healthy, long-term, sustainable MBL portfolio. Our BAFS staff maintains over 200 years of cumulative experience to assist our credit unions in reaching those goals. It is for those reasons that we feel the proposed Risk-Based Capital Rule is advantageous as well; to ensure a healthy, long-term, sustainable environment for those credit unions that choose to participate in that arena.

Thank you for your time and consideration.

Sincerely,

Richard W. Guillot, CFP®
President / CEO
Business Alliance Financial Services, LLC