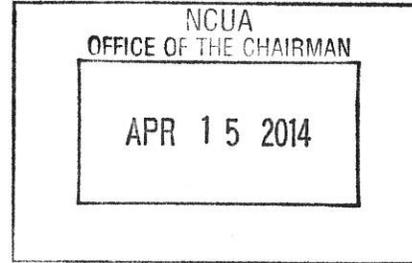




April 11, 2014

The Honorable Debbie Matz
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314



Dear Chairman Matz:

NASCUS is writing to urge NCUA to extend the comment period on RIN 3133-AD77, proposed changes to 12 CFR Parts 700, 701, 702, 703, 713, 723, and 747, Prompt Corrective Action—Risk-Based Capital. Given the complexity of the issues involved and the significant long-term impact these changes could have on the credit union industry, it is imperative that all stakeholders are given sufficient time to review the rule and its potential effects.

The 90 day comment period is quickly drawing to a close and many stakeholders, including small credit unions with assets around the \$50 million threshold, still do not have a clear picture of how this rule will drive future decision-making, affect growth, and impact compliance costs. State regulators continue to work with their state-chartered credit unions to determine how the rule interacts with state law and how state and federal regulators will work together to achieve the laudable goal of this proposed regulation.

It is not apparent that a modest extension of the comment period on this proposed rule would significantly delay NCUA's pursuit of risk-based capital or pose a risk to the credit union system. Although some of the trade associations and leagues have the resources to produce generalized talking points quickly, a careful and reasoned analysis directly from state regulators and most credit unions is a significant undertaking for those stakeholders. It is incumbent on NCUA to ensure that the industry is properly situated to implement the rule effectively. It is in NCUA's best interest to receive this individualized feedback in order to prevent unintended consequences and ensure a smooth implementation. We believe additional time is necessary and warranted.

It is important to act quickly and decisively to address known vulnerabilities in a regulatory framework, and NASCUS applauds NCUA's initiative in tackling these issues head-on. Now that the conversation has been started, NASCUS urges NCUA to give itself, as well as other stakeholders, the necessary time to right-size the regulation to achieve the best possible result.

Extending the comment period from 90 days to 120 days would be a small concession on the part of NCUA, but would demonstrate its good faith and commitment to addressing the constraints of state regulators and credit unions in applying the rule to each of their unique situations.

Sincerely,

Mary Martha Fortney
NASCUS President and CEO

cc: The Honorable Michael Fryzel, Board Member
The Honorable Rick Metsger, Board Member