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Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 55314-3428

May 21, 2014

Dear Mr. Poliquin:

On behalf of Alliant Credit Union's Board of Directors, Staff, and over 9500 members, I wanted to take the opportunity to comment on the National Credit Union Administration's proposal regarding Risk-Based Capital.

While I appreciate NCUA's reasoning for a stronger credit union system, I am fearful that this will only create more mergers in the long run. Is it not NCUA's goal to impede growth, but foster it? While under the new rule, Alliant Credit Union will still remain well capitalized under the proposal; however our cushion would shrink by a total of \$472,000, a -49 basis point change. As CEO of this institution tasked with growth and financial soundness, this additional capital requirement could greatly impact future opportunities and decisions. I would hate for a financially strong credit union today, have to start changing business plans for the future.

I will concede the fact NCUA has helped guide all credit unions over the last very trying six years. Given where we were then, to where we are today, I would declare that the credit union industry has not only survived, but thrived. Why strap us still relatively small credit unions with additional capital requirements where we could put that money to hard work for future success?

While even presented with new opportunities within the past week, I find myself focusing on the impact it would have on the new capital requirements as opposed to focusing on the question we should always focus on – will it benefit the members? To have an 18 month implementation period may require Alliant Credit Union to take a pass on these new opportunities. That is unfortunate as these opportunities could have a wonderful impact on the members we serve. Perhaps NCUA should reconsider this timeline for any changes. This type of major change demands more time for individual credit unions to chart a new path.

Another concern I have with the proposal is the fact that it will apply to categories of assets, not total assets. Alliant Credit Union serves members primarily in the Midwest. We did not experience the housing bubble, nor the auto repossession issues as other areas in the country experienced. Our loans are performing. However, no credit is provided for this performance in the proposal. I feel this needs to be addressed.

Alliant Credit Union is a member-owner of a CUSO in Iowa granting MBL's. A 250% risk weighing for a CUSO is extreme. The CUSO promotes collaboration and lowers exposure by sharing the risk of large MBL loans in Iowa. In doing our due diligence prior to investing in the CUSO, we reviewed the operating agreement that would govern the CUSO. It included a

provision that prohibited the CUSO from making a capital call on its owners. Accordingly, our potential loss is limited to our original investment. I would request that you amend the 250% weighting for MBL CUSOs to 100% inasmuch as that is the maximum loss we could sustain.

Finally, I see a large issue regarding examiners having discretion to increase the risk based capital requirements for any individual credit union. This is very subjective. If NCUA makes the rules, how can they be ok for certain credit unions, but not enough for others? What happens when a new examiner comes in the following year? Will they change it back? How is a credit union ever to manage this not knowing for sure if they have an examiner who will require a higher capital requirement? I request NCUA take a long look at the subjectiveness of this proposal.

Alliant Credit Union encourages NCUA to reconsider this entire proposal. I am certain that our strong, conservative board and management team would like to make sound business decisions without the additional concern of higher reserve requirements. Our recent history saw us merge with a very troubled credit union. The only way that was possible was due to a lower capital requirement. With the new rules in place our decision (which helped save a direct loss to NCUA) could have been different.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Moroney", followed by a long horizontal line extending to the right.

Mike Moroney
President/CEO
Alliant Credit Union