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United States Senate

WASHINGTON, DC 20510

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May 22, 2014

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

Dear Chairman Matz:

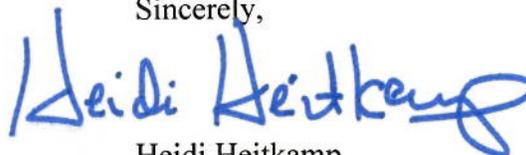
As the National Credit Union Administration (NCUA) considers new risk-based capital standards, I urge the Board to commit to transparency in the rulemaking process and incorporate feedback from industry participants to ensure a smooth implementation process and prevent unintended, adverse consequences.

Credit unions have played a crucial role in underserved communities throughout the country for over a century, and they are often one of the only ways rural families and small businesses can access the saving and lending markets. Credit unions have historically maintained conservative underwriting standards and the vast majority are well capitalized. As a result, credit unions were more resilient during the financial crisis, less likely to fail, and able to extend loans at a time of sharply lower lending due to their financial stability and personal knowledge of their members.

Agricultural lending is critically important to North Dakota farmers and ranchers. In many areas of North Dakota, there are a limited number of financial institutions providing agricultural lending. Credit unions have served farmers and ranchers for many years, by making safe and affordable agricultural loans. Several North Dakota agricultural groups are concerned the proposed risk-based capital rule will negatively affect credit union agricultural lending in my state. Therefore, I ask the NCUA to give important consideration to the practical effect, and possible unintended consequences, this rule may create for agricultural lending.

As a member of both the Senate Agriculture Committee and Senate Banking Committee, I look forward to a collaborative and inclusive rulemaking process to ensure credit unions can continue to provide safe and affordable agricultural loans to their members.

Sincerely,



Heidi Heitkamp
United States Senator

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