

United States Senate

WASHINGTON, DC 20510

May 27, 2014

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

Dear Chairman Matz:

I write to urge the National Credit Union Administration (NCUA) to give appropriate consideration to the many concerns Colorado's credit unions have raised in response to NCUA's proposed risk-based capital rule.

Specifically, it is important for NCUA to carefully consider the appropriateness of risk weights that deviate significantly from analogous regulations administered by other federal financial regulators. Additionally, the adoption of any new regulatory regime must provide enough time for credit unions to comply.

I know you agree that the economic downturn warrants close oversight of the nation's financial institutions and adequate reserves are a part of that equation. However, it is critical during our continued recovery that regulators focus attention on those parts of the system that may truly undermine safety and soundness of financial institutions without unnecessarily constraining their ability to lend responsibly.

As you know, I have sponsored legislation to permit well-capitalized credit unions with a history of business lending to lend more to small businesses. I am concerned that the consequence of a final rule constructed without close attention to input from the credit unions could be a reduction in these institutions' ability and willingness to lend to their small business members.

I appreciate your consideration of these thoughts and those of Colorado's credit unions as NCUA reviews all responses to its proposed prompt corrective action-risk-based capital rule.

Sincerely,



Mark Udall
United States Senator