

November 23, 2015

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

Re: Comments on Proposed Rule – Bank Notes - RIN 3133-AE55

Dear Mr. Poliquin:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the National Credit Union Administration's (NCUA or Board) proposed bank notes rule. CUNA represents America's credit unions and their more than 100 million members.

The NCUA Board proposed a rule at its October Board meeting to amend the agency's investment and deposit regulation in Part 703. The proposed rule would amend the maturity requirement for bank notes to be permissible investments for federal credit unions (FCU) by removing the word "original" from § 703.14(f)(5). This would change the current requirement that bank notes have "original weighted average maturities of less than 5 years" to having "weighted maturities of less than 5 years."

This proposed rule would permit FCUs to purchase bank notes that had original maturities of 5 years or more but have remaining maturities of less than 5 years. As with the current rule, credit unions would only be allowed to purchase bank notes with maturities of less than 5 years. We see no additional risk to credit unions resulting from this change as credit unions would still not be able to hold bank notes with maturities that are 5 years or more. The proposal would give credit unions access to additional investments as the actual maturity of a bank note becomes the requirement instead of the original issue maturity. This should increase credit union access to bank notes, which could lower investment costs and/or increase net returns.

CUNA supports these changes. We commend the agency for listening to credit unions' suggestions for regulatory relief and making changes to decrease regulatory burden.

If you have questions or would like to discuss our comments further, please do not hesitate to contact me at (202) 508-6705.

Sincerely,



Lance Noggle
Senior Director of Advocacy and Counsel