ALLIANT
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April 15, 2015

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

Dear Mr. Poliquin:

On behalf of Alliant Credit Union (Alliant), we thank the NCUA Board for reviewing comments relating to the original PCA Risk-Based Capital Proposed Rule (Original Proposed Rule) and, in particular, Alliant's comment letter submitted on May 22, 2014. We also appreciate the NCUA's willingness to conduct related listening sessions and its recent implementation of significant changes reflected in the second Risk-Based Capital Proposed Rule (Second Proposed Rule). Thank you for the opportunity to comment once again.

We believe that the Second Proposed Rule contains critical improvements over the Original Proposed Rule, however we respectfully disagree with the introduction of a new proposed requirement for a capital adequacy plan. The Second Proposed Rules seeks to add new capital adequacy provisions to the current § 702.101(b) and states as follows:

"• Notwithstanding the minimum requirements in this part, a credit union defined as complex must maintain capital commensurate with the level and nature of all risks to which the institution is exposed.
• A credit union defined as complex must have a process for assessing its overall capital adequacy in relation to its risk profile and a comprehensive written strategy for maintaining an appropriate level of capital."

This language potentially subjects credit unions to higher capital requirements than what the Second Proposed Rule provides. Additionally, this provision would invite examiners to continuously scrutinize credit union capital levels as well as their capital strategies to balance risks given the lack of standards in determining the level and nature of risks. While the NCUA has eliminated the provision in its Original Proposed Rule which allowed examiners to impose additional capital on credit unions on a case-by-case basis, this new regulatory requirement would allow examiners to challenge a credit union's efforts and capital strategies in relating to its perceived risk assessments and risk tolerances. We believe that this new provision would cause more harm than good and that the goals a credit union establishes for its own target capital structure should not be subject to scrutiny in an examination.

In conclusion, thank you again for the opportunity to comment on the Second Proposed Rule. We hope that our feedback is helpful, and that the NCUA will consider eliminating the new proposed capital adequacy provisions.

Sincerely,

David W. Mooney
President and CEO