

April 15, 2015

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

RE: 12 CFR Parts 700, 701, 702, 703, 713, 723 and 747, Risk-Based Capital

Dear Mr. Poliquin:

On behalf of Corporate One Federal Credit Union and as a member of the National Credit Union Foundation (the Foundation) Board of Directors as well as the Ohio Credit Union Foundation, I appreciate the opportunity to submit comments on the National Credit Union Administration's notice of proposed rulemaking for the above-referenced parts of NCUA's regulations regarding risk-based capital. By way of background, Corporate One Federal Credit Union is corporate credit union and has actively supported the works of the NCUF and various state foundations in support of their financial literacy goals.

As a financial supporter and contributor to the The National Foundation, I believe it is important that credit unions have the ability to fully utilize Charitable Donation Accounts as approved by NCUA in December 2013. That regulation was meant "to clarify that federal credit unions are authorized to create and fund a charitable donation account, a hybrid charitable and investment vehicle, as an activity incidental to the business for which the credit union is chartered, provided the account is primarily charitable in nature and meets other regulatory conditions to ensure safety and soundness." (Federal Register, Vol. 78, No. 244, Thursday, December 19, 2013, page 76728). The parameters placed on CDAs effectively balance safety and soundness considerations with credit unions' charitable intent. Imposing risk-based capital limitations on such investments contravenes the appeal for credit unions to put money into these investments to fund charitable activities.

To that end, I would ask the NCUA Board to consider three alternative approaches to the treatment of CDAs under the risk-based capital proposal.

Preferred treatment: Exemption for CDAs from the risk-based capital proposal

As noted above, NCUA effectively balanced safety and soundness with effectuating credit unions' charitable intent when it passed the CDA regulations. I respectfully urge the NCUA Board provide an exemption for CDA from the risk-based capital rule.

Alternative treatment 1: Community Development Investments – 100% risk weight

The OCC Risk-Based Capital regulation recognizes the importance of Community Development Investments and assign a risk weight of 100% rather than a 300% weight. The public policy embraced by the OCC is to encourage these investments to support charitable goals and purposes. I respectfully ask the NCUA Board to embrace a similar policy whereby a risk weight of 100% would be assigned for any equity or corporate bond exposure in a CDA investment. This treatment for CDAs will support broader participation by credit unions with CDAs and enhance the goodwill and reputation of the credit union industry as it builds an investment resource to support charitable contributions.

Alternative treatment 2: Non-Significant Equity Exposure

Banks are permitted to apply a 100% percent risk weight to certain equity exposures deemed non-significant. Non-significant exposures means an equity exposure that does not exceed 10% of the bank's total capital. I respectfully ask the NCUA Board to adopt a similar treatment for credit unions. Thus, if the publicly traded equities and equity allocation within an investment fund (e.g., a CDA) are less than 10 % of a credit union's total capital, a risk weight of 100% shall be applied to this equity exposure. This would reduce the complexity of the look through approach and simplify the overall risk weight process for non-significant equity exposure.

Thank you for the opportunity to comment on the proposal. If you have any questions about our letter, please do not hesitate to give me a call at 614-570-2299.

Sincerely,



Lee C. Butke
President/CEO

- c: The Honorable Debbie Matz, Chairman, NCUA
 The Honorable Rick Metsger, Board Member, NCUA
 The Honorable J. Mark McWatters, Board Member, NCUA