



April 20, 2015

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

Re: NCUA risk based capital proposal

Dear Mr. Poliquin,

Thank you for the opportunity to object to the additional regulatory burden that would be imposed by NCUA's most recent risk based capital proposal.

This letter is written on behalf of the Board of Managers of Day Air Insurance, LLC, a wholly owned CUSO of Day Air Credit Union, Inc.

The proposed risk weights of various segments of a credit union's balance sheet are less onerous than originally proposed a year ago. However, they remain an unnecessary regulatory burden to credit unions. Specifically, the weighting of a CUSO investment at a 150% risk factor is too high. There is no empirical data that suggests investments in CUSOs are a significant risk factor to credit unions. We recognize that the current proposal of 150% is an improvement over last year's 250%, but firmly believe that it should be no higher a risk factor than most other assets. We request consideration to lower the factor to 100%.

The fact that the individual risk factors of so many asset and liability classes have changed from last year's proposal without any data supporting such changes highlights the inherent problem with this proposed rule. There is no data supporting NCUA's proposed risk weighting.

We request that this proposed rule be withdrawn as it is unnecessary, adds to the regulatory burden already faced by credit unions and will increase credit union's supervisory expense costs. In the alternative, please reduce the risk weighting of CUSO investments to 100% in the final rule.

Thank you for the opportunity to comment.

Sincerely,

William J. Burke
Chairman, Board of Managers

