



April 24, 2015

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

VIA EMAIL: regcomments@ncua.gov

RE: Comments on NCUA Proposed Rule - Prompt Corrective Action: Risk-Based Capital
Second Proposed Rule; RIN 3133-AD77

Dear Mr. Poliquin:

On behalf of the 90 members of the Kansas Credit Union Association [KCUA], the trade association for credit unions in Kansas, I write to provide comments to the National Credit Union Administration's [NCUA] second proposed risk-based capital rule. Established in 1934, KCUA assists member credit unions in meeting the needs of its 640,000 members and potential members.

KCUA would also like to take this opportunity to thank NCUA for listening, and giving thoughtful consideration, to comments of credit unions across the country with regard to the initial risk-based proposal. We, and our member credit unions, are appreciative of the substantive changes.

However, with this letter, KCUA would like to highlight additional concerns with two issues:

Interest Rate Risk

Interest rate risk regulation was not included in this most recent proposal, but NCUA has indicated it will be addressed in the future. Historically, NCUA examiners have provided guidance to credit unions on the topic of interest rate risk. Kansas credit unions continue to believe that the examination process is the best regulatory approach. Examiners, on site and reviewing a specific credit union and its unique circumstances, can provide effective guidance on risk. Individual credit unions should be allowed the opportunity to be flexible for each situation. It would be unfair to paint interest rate risk regulation with a broad brush.

Definition of "Complex" Credit Union

The reissued rule changes the definition of a "complex" credit union from one of \$50 million in assets to \$100 million, and above, in assets. KCUA believes this change was appropriate and understands the efficiency and simplicity in using asset size to make this determination.

However, Kansas credit unions would offer that more than the asset amount needs to be taken into consideration, e.g., the book of assets in its entirety, including loans, investments and liabilities, as well as whether the operations are diverse.

NCUA should give consideration to whether the asset threshold should be indexed and how many “complex” products and services a credit union must provide before being adjudged to have met the criteria.

Thank you for the opportunity to voice the concerns of Kansas credit unions to the proposal.

Sincerely,

Marla S. Marsh
President/CEO