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April 24, 2015

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

RE: NCUA's Risk Based Capital Proposal: RIN 3133-AD77

Dear Mr. Poliquin:

On behalf of NuMark Credit Union, we want to thank you and the board for giving credit unions the opportunity to comment on the NCUA's Second Proposed Risk-Based Capital Rule (RBC2). NuMark Credit Union has assets over $209 million and is very Well-Capitalized at 13.14% as of March 31, 2015. This proposed rule will not adversely affect NuMark Credit Union today; however this proposed rule will affect our ability to grow in the future.

We appreciate your hard work and believe that RBC2 is an improvement over the original proposed rule: PCA – Risk-Based Capital. However, we agree with the Illinois Credit Union League that this rule is unnecessary and will create a significant burden, as well as significant constraints to management.

During the most recent financial downtown, Credit Unions as a whole performed exceptionally well and did not cause any substantial strain on either the insurance fund or require emergency action by the Federal Government as the Banking industry did. By their very nature, Credit Unions naturally seek different risk profiles than Banks.

The proposed rule arbitrarily weights concentrations in certain loans rather than focusing on the quality of underwriting standards and expertise. Member business loans and real estate concentration level risk-based capital increases do not consider portfolio management, underwriting standards, industry experience, quality of loans and the proposal could result in reduced overall diversification. Additionally, Credit Unions inherently are more conservative and any higher risk weighting on member business loans and mortgage lending will limit our ability to compete with banks and other lenders.

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The identification of "complex" Credit Unions should be based on something more than simply Asset size, and should be limited to Credit Unions of at least $500 million in Assets. The proposed rule should provide a better tailored definition of "complex" to ensure that only Credit Unions covered are those with activities that pose extraordinary risk, beyond routine loans and investments.

Implementation of RBC2 should be delayed until 2021 to coincide with the expected refunds from the Corporate Stabilization Fund. Additionally, the NCUA should minimize the burden on Credit Unions of expanding the Call Report. The NCUA should give Credit Unions an option to provide additional Call Report Information as required by RBC2.

The proposed Risk-Based Capital legislation will require Credit Unions to maintain higher levels of capital. The excess capital will require Credit Unions to generate more profit when this additional profit could be given back to the members in terms of better loan and deposit rates or Checking Dividends and Loan Rebates. In December 2014, NuMark Credit Union gave our membership a 5% Loan Interest Rebate and a 5% Checking Account Dividend.

Thank you for the opportunity to comment on the Second Proposed Rule on Risk-Based Capital. The most recent financial crisis has a vast amount of data to support the quality of the Credit Union Industry. Our industry has proven we could withstand the recent recession. The proposed legislation will come at a cost to our members and the competitiveness of our industry.

Sincerely,

Ann M. Dubie
President and CEO