March 26, 2015

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

RE: Comments on Proposed Rule: Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

Thank you for giving me the opportunity to comment on the amended Risk-Based Capital rule. I am writing on behalf of USAgencies Credit Union, which serves government employees, veteran's, and Native Americans in Oregon. We have approximately 6,500 Members and approximately $77 Million assets. I commend NCUA for considering the original comments it received on the original proposal and in making numerous improvements to the proposed rule. I do however, continue to question some aspects of the proposed rule and wonder if this is a rule that is truly necessary.

Under the new proposal and definition of "complex credit union" USAgencies would be exempt from the rule. However, given our growth projections, we would be near the $100 Million asset threshold about the time the rule would become effective. So, in reality, we are subject to the proposal. While raising the threshold from $50 Million in assets to $100 Million is beneficial, I don't understand the reasoning for using assets as a measure of "complexity" in the first place. Take our credit union for example. USAgencies has a very conservative balance sheet. Using the risk-based capital calculator provided by NCUA and CUNA, we would have a risk based capital ratio over 24%. Given this, does USAgencies seem to pose undue risk to the share insurance fund? Wouldn't a better definition of complex be one that considers the actual potential risk the institution poses to the fund?

Based on the NCUA's own estimate that of the 1,455 credit unions having assets greater than $100 Million, only 27 would have a risked based capital level below the proposed 10% threshold, it seems that this is a rule that is unnecessary. Why not use the current risk based net worth requirement already included in PCA as a means for more closely monitoring those credit unions with more risk in their balance sheet? Why make a national rule that affects a large percentage of credit unions that would not have to change how they do business anyway? A rule that just adds more operational complexity and burden without adding any real value or increased safety to the insurance fund is unneeded regulation.

I do believe it is important that NCUA keeps an active watch out for the safety of the share insurance fund. However, I believe you can effectively do so without this proposed regulation and instead, spend your time and energy focusing on ways you can assist credit unions in helping their members by reducing regulatory burden.

Thank you again for the opportunity to comment on this proposed rule and for considering our views on risk based capital.

Sincerely,

James Lumpkin
President/CEO
USAgencies CU

cc: CUNA, CCUL