



Southwest Airlines Federal Credit Union

April 1, 2015

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

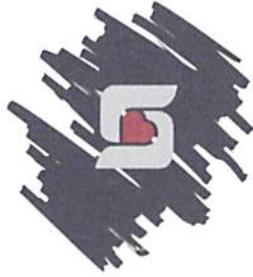
Southwest Airlines Federal Credit Union
Charter: 22157

Comment on Revised Risk Based Capital Requirements Proposal

Southwest Airlines Federal Credit Union does not believe the Revised Risk Based Capital proposal should be adopted. As we stated in our previous comment letter, the credit union industry as a whole has been financially sound and there is not a significant reason to add additional capital requirements on Credit Unions. While the proposed capital requirements do not currently impact Southwest Airlines Federal Credit Union, we believe it will severely limit our credit union's ability to grow and service member needs in the future by restricting the credit union's use of capital. Regulations have become so stifling that it is challenging for the credit union industry to maintain a spread and build capital. We respectfully ask that the NCUA not implement this rule.

If the current proposal is not dismissed, we ask that the NCUA eliminate the requirement that a credit union hold capital commensurate with its risks, "notwithstanding the requirements" of RBC2 and PCA net worth requirements. We strongly oppose the capital adequacy plan requirements in the revised proposal. Our capital goals are a reflection of our assessment of our balance sheet, the various risks we face, and our tolerance for those risks. These decisions should not be subject to standards in an examination and credit unions should not be subject to higher capital requirements than what are specifically required by the regulation. The proposal allows examiners to demand additional capital even when all other requirements are met without any other justification.

In addition, the NCUA should consider not expanding the Interest Rate Risk rule. While this rule is not included in the revised proposal, the NCUA has indicated its intention to expand the rule by issuing a new proposal on the current Interest Rate Risk Policy that was recently adopted in 2012. Southwest Airlines Federal Credit Union believes that the current rule is adequate and that this rule should not be incorporated into the risk based capital system in any manner. Interest Rate Risk should be evaluated



**Southwest Airlines
Federal Credit Union**

and addressed on an individual CU basis and additional steps that a single credit union needs to take to resolve interest rate risk concerns should be addressed in the regulatory exam process.

We appreciate the opportunity to comment on the proposed capital requirements and sincerely hope the NCUA carefully evaluates the concerns addressed by all members of the credit union industry.

Sincerely,

A handwritten signature in black ink that reads "Tabitha Magers".

Tabitha Magers
Senior Vice President
Southwest Airlines Federal Credit Union