MEMBERS® Trust Company | Trust & Investment Services for Credit Union Members

April 7, 2015

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

Dear Mr. Poliquin:

MEMBERS Trust Company, owned and managed by credit unions, respectfully submits the following comments on the Proposed Risk-Based Capital Regulation.

CDA Investments

The OCC Risk-Based Capital regulation recognizes the importance of Community Development Investments and assigns a risk weight of 100% rather than the standard 300% factor. The public policy embraced by the OCC with this allowance is to encourage investments to support charitable goals and purposes. To embrace a similar policy, we would ask the NCUA to consider assigning a risk weight of 100% for any equity or corporate bond exposure in a CDA investment. This treatment for CDAs will support broader participation by credit unions with CDAs and enhance the goodwill and reputation of the credit union industry as it builds an investment resource to support charitable contributions.

Non-Significant Equity Exposure

Banks are permitted to apply a 100% percent risk weight to certain equity exposures deemed non-significant. Non-significant exposures mean an equity exposure that does not exceed 10 percent of the bank's total capital. MEMBERS Trust Company recommends a similar treatment for credit unions as follows: If the publicly traded equities and equity allocation within an investment fund are less than 10 percent of a credit union's total capital, a risk weight of 100% shall be applied to this equity exposure. This would reduce the complexity of the look through approach and simplify the overall risk weight process for non-significant equity exposure.

We appreciate the opportunity to share our comments with you.

Sincerely,

Tom Walker

Tom Walker, MBA, JD
President/CEO

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