



March 27, 2015

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

Re: Comments on Proposed Rule - Capital Planning and Stress Testing – Schedule Shift

Dear Mr. Poliquin,

We are pleased to have the opportunity to provide comments on the proposed rule of the National Credit Union Administration (NCUA) regarding Capital Planning and Stress Testing – Schedule Shift.

We recognize the importance of capital planning and stress testing within our industry. However, we believe a shortened time frame restricts our ability to complete the process in the manner in which it deserves. For that reason, we do not support the proposed timeline outlined by NCUA. Instead, the timeline should be extended by one month for all dates within the capital planning and stress testing process. Most notably, the capital plan submission date should be extended to May 31st.

The proposed rule creates concern for SECU. The proposed timeline shortens to four months the amount of time from the as-of date to the capital plan submission date. In addition, the proposed rule only provides two months from the scenario release date to the capital plan submission date. The loss of a full month after the scenario release date negatively impacts our ability to create a well-designed capital plan that incorporates the appropriate governance surrounding the capital planning process.

Our capital planning process contains many steps starting with the close of our financial books then transitions to gathering and validating data. The data is then incorporated into our forecasting process where we use the economic variables provided by NCUA to complete our capital plan scenarios. The results from the forecast are reviewed and challenged before being incorporated into the capital plan document. The capital plan is then reviewed by senior management before being presented to the Board of Directors for final approval. Much of the process to complete the capital plan happens after the release of the Stress Test Scenarios by NCUA. Compressing the time to complete and review the capital plan threatens our ability to create a quality document with the appropriate level of governance over the process.

In addition, moving the as-of date to the calendar year end compounds the capital planning process. The December 31st as-of date competes with year-end and quarter-end regulatory

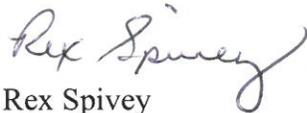
reporting requirements. The proposal fails to recognize that the preparation of data to be submitted for the NCUA run stress test falls within the same time frame as the completion of the capital plan. The allocation of resources to meet all of the quarter end responsibilities in addition to finalizing the capital plan would be very burdensome based on the proposed timeline.

Again, we do not support the timeline proposed by NCUA. We would propose the following schedule for the capital planning and stress testing processes:

Action	NCUA Proposed	SECU Proposed
As-of date	December 31	December 31
Scenario release date	February 28	February 28
Capital plan submission due	April 30	May 31
NCUA-run stress test results provided to credit unions	July 31	August 31
NCUA accepts or rejects credit union capital plan	July 31	August 31
Stress test capital enhancement plan, if required	October 31	November 30
Revised capital plan, if required	October 31	November 30
Credit union request authority to conduct stress tests	October 31	November 30
NCUA approves or declines request for credit union conducted stress test	November 30	December 31

Thank you for considering our comments on this proposal.

Sincerely,



Rex Spivey
 Senior Vice President – Management Reporting
 State Employees' Credit Union