

From: [Beverley Rutherford](#)
To: [Regulatory Comments](#)
Subject: VACU Comments on Notice of Proposed Rulemaking for Incentive-based Compensation Arrangements
Date: Friday, July 22, 2016 2:17:35 PM
Attachments: [image003.png](#)

Thank you for the opportunity to comment on your proposed rule governing incentive-based compensation arrangements as required under the Dodd-Frank Act. I am commenting on behalf of a 3 billion dollar state-chartered credit union in Virginia with over 275,000 members.

We support and believe well-designed incentive compensation arrangements, that prohibit inappropriate risk, are critical in attracting talent in carrying out our mission to serve our members. With the competition in our area from both bank and nonbank institutions, it aids us in attracting and retaining highly-skilled and quality employees. We do question, however, why NCUA cannot use their existing authority in examining credit unions to address any concerns or unnecessary risks an individual credit union could be taking rather than adding to the existing regulatory burden we continually face.

After reviewing the proposal, for the most part we currently meet much of what would be required. However, we ask the NCUA to provide further clarification about what is considered a "grandfathered plan." Would an existing plan where the basic requirements stay consistent, but where only new goals and payout percentages are adjusted annually be considered a new plan? We believe this should not be the case and should only apply in those instances where an entire incentive plan is restructured with new components or requirements, rather than just a change in goals/percentages.

Please feel free to contact me should you have any questions.

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