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Public Comments on Alternative Capital: =====

Title: Alternative Capital
FR Document Number: 2017-01713
RIN:
Publish Date: 2/8/2017 12:00:00 AM

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Organization Name: University of Iowa Community Credit Union

Comment: The University of Iowa Community Credit Union (UICCU or the credit union) has continued to grow annually at a rate of approximately 20% over the past twenty years. However, the Board of Directors and Management of UICCU have viewed the 8% capital requirement as a constraint on serving its current membership and potential membership. Frequently, UICCU will need to lower deposit rates and increase loan rates to slow down the growth to maintain an 8% capital ratio, in spite of the high demand for the products served. The credit union has been very profitable (in terms of net income) and has been successful in returning these profits to our membership. In fact, as measured by the quarterly Total Return to the Member metric (which measures how well credit unions do in returning their profits back to the membership via great rates on loans, great rates on deposits and lower fees) UICCU currently ranks 2nd in the nation out of approximately 6,000 credit unions. UICCU has held the #1 ranking for 8 of the past 16 quarters and has not been ranked below 3rd during the past four years.

Therefore, with approximately 57% of our membership qualifying as low-income members, the continued expansion of the credit union through new facilities and the obvious need for our products, management believes the funds obtained from supplemental capital accounts will allow us to continue our growth without the constraint of the 8% capital ratio floor. The ability to raise alternative forms of capital has been codified by the NCUA and should now be allowed. Consistent with the credit union mission, this will allow UICCU to serve even more members and save them even more money than today.

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