

May 01, 2017

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

RE: Comments on Alternative Capital

Dear Mr. Gerald Poliquin,

I am writing on behalf of CommunityAmerica Credit Union, a \$2.3 billion Missouri state-chartered, federally insured credit union. CommunityAmerica appreciates the opportunity to provide comments to the National Credit Union Administration on the rulemaking for Supplemental Capital. CommunityAmerica is interested in opportunities presented by the proposed regulation. Capital is a critical component in the growth and well-being of credit unions. We currently have a strong capital base and do not see immediate needs for capital. However, the additional capital options proposed could enhance our options for future needs if our business plans would project the need for additional capital.

While we are encouraged by the steps the NCUA is taking, we find the proposed rule to be somewhat limiting because of the narrow use of potential supplemental capital tools offered. Non-low-income designation credit unions should have access to any type of capital instrument that meets the following criteria:

- Offering should preserve the cooperative and mutual nature of credit unions. Members should be allowed to contribute additional capital with no additional ownership or voting rights. These contributions should be uninsured and limited in nature. Full disclosure should be provided and clearly explained to any member participant.
- Flexibility under the rule should allow credit unions to utilize the best tool for their business needs.
- Proper consumer protection and approval should be required.

- Credit unions should be required to present capital business to NCUA and State Regulators for review and approval before offering capital vehicles.

- Limits should be established that limit supplemental capital to appropriate levels.

Subordinated debt as outlined in the proposed rule should be included as an option for credit unions seeking additional capital. Market conditions should control the use of this tool and should require the same principles as those listed above.

If the limitations for non-low-income credit unions were for supplemental capital to only apply to risk-based capital this would limit the usefulness of this tool. Capital is critical to growth of any credit union and a broader tool kit would greatly enhance the value to our credit union.

Thank you for the opportunity to comment on this Proposed Rule and for considering our views on alternative capital. If there are additional questions please feel free to contact us.

Sincerely,

Tracey Hannah
Compliance Counsel
CommunityAmerica Credit Union

cc: CUNA, CCUL