



**STATE OF ALABAMA**  
**ALABAMA CREDIT UNION ADMINISTRATION**

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KAY IVEY  
GOVERNOR

SARAH H. MOORE  
ADMINISTRATOR

May 8, 2017

Via Email

Mr. Gerard Poliquin  
Secretary to the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314  
regcomments@NCUA.gov

Re: Alabama Credit Union Administration's Comments on Advanced Notice of Proposed Rulemaking for Supplemental Capital

Dear Secretary Poliquin:

The Alabama Credit Union Administration (ACUA), the Alabama state agency created by the Alabama Legislature to regulate, charter and supervise state-chartered credit unions, submits the following comments in response to the National Credit Union Administration's (NCUA's) Advanced Notice of Proposed Rulemaking for Supplemental Capital (ANPR). The ANPR addresses issues concerning both low income credit union (LICU) issuance of secondary capital as well as the non-LICU natural person credit union use of supplemental capital to meet credit union risk-based capital requirements. ACUA appreciates the opportunity to provide NCUA our perspective on this important rulemaking and submits the following recommendations for the agency's consideration.

ACUA supports allowing supplemental capital to contribute toward a portion of a credit union's risk-based capital ratio. Supplemental capital would serve as a buffer between the National Credit Union Share Insurance (NCUSIF) and depositors of a credit union in the event of a liquidation of the credit union. The additional capital buffer counted in risk based capital would enable credit unions to continue to serve their members in the ordinary course of business in the event that traditional regulatory net worth components fell below well-capitalized levels.

**Investor Protections and Disclosures**

The mission of the NCUA is to provide, through regulation and supervision, a safe and sound credit union system, which promotes confidence in the national system of cooperative credit and the vision of the NCUA is to protect consumer rights and member deposits.

Mr. Gerard Poliquin

May 8, 2017

Page 2

Other regulatory agencies, namely, state securities regulators govern the issuance of capital and debt instruments to investors. Those regulations cover the types of investors, the amount of the issuance and the disclosures required in the proxies and on the instruments. If NCUA decides to promulgate rules regarding investor protections and disclosures, then the NCUA should look to existing federal banking regulations namely the Office of the Comptroller of the Currency (OCC) for the framework and substance of the regulations.

Sincerely,

A handwritten signature in black ink that reads "Sarah H. Moore". The signature is fluid and cursive, with the first name "Sarah" being more prominent than the last name "Moore".

Sarah H. Moore

Administrator

Alabama Credit Union Association

SHM/klg