

Congress of the United States
Washington, DC 20515

May 9, 2017

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

RE: Advance Notice of Proposed rulemaking for Supplemental Capital

Dear Mr. Poliquin:

Thank you for the opportunity to comment on the Advance Notice of Proposed Rulemaking for Supplemental Capital. We applaud the NCUA for moving forward with their consideration of allowing supplemental capital for risk-based capital purposes. As you are aware, we have filed the Capital Access for Small Business and Jobs Act, which would make the necessary statutory change to allow credit unions to accept supplemental capital for net worth purposes. Your rulemaking can provide an important interim step to demonstrating the benefits of allowing supplemental capital for both net worth purposes and risk-based purposes.

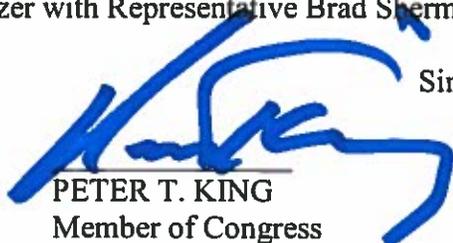
Providing credit unions access to supplemental capital for risk-based capital purposes will only help enhance the safety and soundness of the credit union system. Not only is increasing the level of capital in the credit union system beneficial for the system as a whole, but supplemental capital can help provide additional protection to the National Credit Union Share Insurance Fund from potential losses.

Further, if structured properly, supplemental capital should have no effect on the cooperative mutual structure of credit unions and should in no way jeopardize the credit unions. In fact, it can help credit unions in the following manner:

1. Improve recovery time from financial setbacks;
2. Encourage the formation of new credit unions;
3. Allow more opportunity for growth and the addition of new services;
4. Assist in achieving economies of scale; and
5. Reduce any incentive for a credit union to convert to a bank or thrift charter.

We fully support your efforts in this important rulemaking. If you have any questions or would like to discuss this further, please contact Mona Dooley with Representative Peter King and Nicole Frazer with Representative Brad Sherman.

Sincerely,



PETER T. KING
Member of Congress



BRAD SHERMAN
Member of Congress