

VIA EMAIL: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

December 29, 2017

Mr. Gerald Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314–3428

Re: Capital Planning and Supervisory Stress Testing (12 CFR Parts 702)

Dear Secretary Poliquin,

On behalf of Digital Federal Credit Union (DCU), thank you for the opportunity to provide comments on the National Credit Union Administration's (NCUA) Capital Planning and Supervisory Stress Testing Proposed Rule (the Proposed Rule). We commend the NCUA for proposing to amend its regulations to reduce regulatory burden by removing some of the capital planning and stress testing requirements and make the NCUA's capital planning and supervisory stress testing requirements more efficient for covered credit unions to conduct their own stress tests in accordance with the NCUA's requirements. DCU also commends the NCUA for adopting an incremental regulatory approach to supervisory stress testing that would gradually increase regulatory requirements on a covered credit union over time without making the requirements too burdensome too soon.

Overall, each step in changing the rulemaking for capital planning and supervisory stress testing should be focused on managing risks to the National Credit Union Share Insurance Fund (NCUSIF) and the safety and soundness of credit unions while not placing unnecessary regulatory burden on credit unions.

The Proposed Rule specifically requests comments on whether the threshold levels should be set higher on the proposed tiers. The NCUA has been aligning regulation with the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (the other banking agencies) and such consideration should be made for the tiers within the Proposed Rule. The other banking agencies set \$50 billion as the top tier asset threshold and may revise the level to a \$250 billion amount soon based on recent bipartisan congressional proposals. The NCUA should align their asset thresholds to be consistent with the other banking agencies and provide support and rationale for the final proposed asset size determination.

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The NCUA aligned its capital planning and analysis expectations based on the size, complexity, and financial condition of each covered credit union. To sufficiently balance regulatory relief for covered credit unions with managing risks to NCUSIF, other risk factors must be considered when determining the proposed tiers. In addition to minimum requirements for a capital plan based on the size, complexity, and financial condition, additional stress tests tailored to the risk profile, net worth, transactional risks, and other risk factor considerations for a covered credit union should be measured. The NCUA should establish formal differences in standards by tier for stress testing and capital planning.

In closing, thank you once again for this opportunity to comment on the National Credit Union Administration's Capital Planning and Supervisory Stress Testing Proposed Rule. We look forward to additional communication related to revising this regulation based on the needs of the NCUSIF and the safety and soundness of credit unions.

Sincerely,

A handwritten signature in black ink that reads "Laurie M. LaChapelle". The signature is written in a cursive, flowing style.

Laurie M. LaChapelle  
Senior Vice President of Finance