



OHIO CREDIT  
UNION LEAGUE

December 22, 2017

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

Re: Request for Comments on Capital Planning and Supervisory Stress Testing  
RIN 3133-AE80

Dear Mr. Poliquin,

The Ohio Credit Union League (OCUL) welcomes the opportunity to submit comments regarding the National Credit Union Administration's (NCUA) rule pertaining to capital planning and supervisory stress testing.

OCUL represents Ohio's 284 credit unions and their nearly 3 million members. While no credit union with \$10 billion in assets is presently domiciled in Ohio, OCUL remains committed to advocate for the entire credit union movement. Additionally, some of our largest credit unions have surpassed the \$1 billion threshold and continue to experience impressive growth in assets. Ohio's largest credit union will soon cross the \$4 billion threshold and is thriving with strong, productive growth. Thus, it is likely that changes to this rule could impact Ohio credit unions in the near future.

Foremost, OCUL would encourage NCUA to strongly consider eliminating the supervisory stress testing regulation, as we do not believe there was requisite congressional intent to include credit unions under the umbrella of entities who require supervisory stress testing. In fact, the Dodd-Frank Act of 2010 explicitly left out credit unions.<sup>1</sup>

However, we recognize that stress tests can be a useful supervisory tool for certain depository institutions. With that in mind, we agree that, within the confines of the current rule, this proposed change is a step at modernizing the regulation and providing a measure of relief for impacted credit unions.

Under the current rule, credit unions with \$10 billion or more in assets are subject to NCUA's supervisory stress testing regulation. NCUA proposes to create three tiers of categories for covered credit unions (those with more than \$10 billion in assets) to alleviate the regulatory burden for covered credit unions who have less than \$20 billion in assets. Essentially, credit unions would be able to conduct their own stress tests, reducing the number of NCUA examiners present, which can disrupt normal member-service operations. We applaud NCUA for acknowledging the regulatory burden that results from having examiners engrossed in credit union operations.

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<sup>1</sup> The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, 111<sup>th</sup> Congress, §165(i)(2).



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We agree with the agency that the proposed rule is a step in the right direction, away from one-size fits all approach. The next step in this direction would be to re-evaluate whether it is necessary to stray from the congressional intent of the Dodd-Frank Act and continue to utilize stress tests on credit unions. We appreciate NCUA's efforts to serve as a progressive regulator and its commitment to ensuring the regulatory framework cultivates an effective and efficient operating environment. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at 800-486-2917.

Respectfully,

Handwritten signature of Paul L. Mercer in black ink.

Paul L. Mercer  
President  
Ohio Credit Union League

Handwritten signature of Miriah Lee in black ink.

Miriah Lee  
Manager of Policy Impact  
Ohio Credit Union League



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