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August 31, 2017

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

RE: Comments on Corporate Credit Unions – 12 CFR 704

Dear Mr. Poliquin,

The Georgia Credit Union League (GCUL) appreciates the opportunity to respond to the request for comments on Corporate Credit Unions. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL supports more than 114 Georgia credit unions that serve over 2 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed requests for comments such as this.

GCUL supports the NCUA's proposed amendments to revise provisions on retained earnings and Tier 1 capital. As noted because of the financial crisis, NCUA revised Part 704 of the rules governing corporates. Today, the corporate credit union system has significantly contracted and consolidated resulting in NCUA-revisiting technical aspects of the rule to account for the changed circumstances. We want to share our appreciation to the NCUA for taking the initiative to establish a common-sense regulatory framework that should provide a foundation for a strong corporate credit union system that can continue to create value for natural person credit unions.

The NCUA proposes to revise the definition of "retained earnings" under 12 CFR 704.2. As revised, this term would mean, "undivided earnings, regular reserve, reserve for contingencies, supplemental reserves, reserves for losses, GAAP (Generally Accepted Accounting Principles) equity acquired in a merger, and other appropriations from undivided earnings as designated by management or NCUA." We support that the definition of "retained earnings" should expressly include equity acquired in a merger and reflect GAAP. GCUL agrees with the change to Tier 1 capital, and as a result of the new retained earnings definition the corporate system will benefit. Making this change is consistent with

the definitions used by other financial institutions and regulations. We agree these changes are prudent and present no enhanced risk to the credit union system.

In addition, Part 704 of the NCUA rules and regulations has not been fully reviewed since 2010. We recommend NCUA place Part 704 of the rules in its rule review schedule next year. This would give corporates, natural person credit unions and other interested parties an opportunity to explore other rule modernizations that could benefit credit unions and their members.

In closing, as stated above GCUL supports the NCUA's proposed amendments to Part 704 regarding corporate credit unions and hopes that NCUA will adopt the proposed rule. These changes are needed and will provide transparency and clarity to a corporate credit union's capital adequacy.

GCUL appreciates the opportunity to present comments on behalf of Georgia's credit unions. Thank you for your consideration. If you have questions about our comments, please contact Cindy Connelly or Selina Gambrell at (770) 476-9625.

Respectfully submitted,

A handwritten signature in black ink that reads "Cindy Connelly". The signature is written in a cursive style with a horizontal line under each name.

Cynthia A. Connelly
Senior Vice President/ Government Influence