



August 20, 2018

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: 12 CFR Part 702 – Comments on Notice of Proposed Rulemaking re: Risked Based Capital – Supplemental Rule; RIN 3133-AE90

I am writing on behalf of the members of the Maryland & D.C. Credit Union Association regarding the National Credit Union Administration’s Risked Based Capital – Supplemental Rule. The Maryland & D.C. Credit Union Association represents 94 Credit Unions and their 2.2 million members. We thank you for taking the time to consider our comments.

While we appreciate the NCUA’s work to protect credit unions and members, we remain hesitant to agree that there is any need for this rule. This is a rule that stems from the FDIC response to the 2007 financial crisis, however, we find it unnecessary because the potential losses caused by this financial crisis were well mitigated by the NCUA and credit unions performed well. Due to the high number of bank failures during this time which forced the FDIC’s deposit insurance fund to fall into negative territory, the FDIC created substantial and appropriate funding and bank capital requirement changes. Credit unions did not have this problem and therefore the NCUA has no reason to create similar regulations.

We agree that if the NCUA is going to move forward with an asset threshold level to define a “complex credit union,” \$500 million in assets is more appropriate than \$100 million. While we do not think that this rule is necessary, the NCUA has provided ample reasoning for why the \$500 million-dollar level is more appropriate than \$100 million dollars. This threshold creates a more a balanced and fair approach. Additionally, if the NCUA is going to move forward with this rule, we appreciate the extension of the effective date of the rule to January 1, 2020 although a two-year extension would be preferable.

We always appreciate the invitation to comment on regulations and to provide insight. We look forward to continued conversations and remain a committed partner.

Sincerely,

John Bratsakis
President/CEO MD|DC Credit Union Association