

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
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Sent electronically to regcomments@ncua.gov
Re: RIN 3133-AE90

September 4, 2018

Dear Mr. Poliquin:

On behalf of the credit unions in the state of Iowa, I appreciate the opportunity to comment on the National Credit Union Administration's (NCUA) proposal regarding the risk-based capital supplemental rule. The Iowa Credit Union League (ICUL) is the non-profit trade association that represents the interests of Iowa credit unions and their over one million credit union members.

Iowa credit unions are generally well-capitalized and are operating in a safe and sound manner to benefit consumers and the community. ICUL understands the need for a framework that protects the National Credit Union Share Insurance Fund (NCUSIF) from significant losses and appreciates the NCUA's intention to mitigate undue risk. While ICUL supports the NCUA's proposal, we would like to see steps taken to further reduce the regulatory burden on credit unions.

Threshold Level

The proposal would amend the definition of a "complex" credit union for risk-based capital purposes by increasing the threshold level for coverage from \$100 million to \$500 million in total assets. ICUL proposes that this threshold level be increased to \$10 billion, which would align with both the NCUA Office of National Examinations and Supervision (ONES) and the Consumer Financial Protection Bureau (CFPB) supervisory authority. This higher threshold would provide several additional credit unions with regulatory relief, while still protecting the NCUSIF from larger, more impactful losses.

Effective Date

The proposal would delay the effective date of the 2015 Final Rule for one year, moving the effective date from January 1, 2019 to January 1, 2020. ICUL requests that the NCUA delay the effective date for two years to allow complex credit unions additional time to raise capital or adjust their balance sheets to achieve compliance and protect their members. An effective date of January 1, 2021 could benefit the NCUA as well, as it may allow for a better positioning of the NCUSIF, and the system, in preparation for the next set of challenges it may face.

Conclusion

ICUL greatly appreciates the NCUA's recognition of the impact that increased regulatory burden can have on credit unions and their members and is encouraged by the NCUA's willingness to issue a new proposal. Iowa credit unions are generally well-capitalized and operating safely and soundly, yet still face regulatory burden and growing uncertainty due to today's political climate and changing supervisory authority. ICUL applauds the NCUA for its efforts and asks that it consider the needs of Iowa communities and the important role the credit union system plays in our state when evaluating risk-based capital requirements and making adjustments to the final rule.

Sincerely,



Murray Williams
CEO/President
Iowa Credit Union League



ICUL

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