Brian T. Schools
President & Chief Executive Officer

CHARTWAY
FEDERAL CREDIT UNION

August 31, 2018

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear NCUA:

On behalf of Chartway Federal Credit Union, our Board of Directors, and our 180,000 members, we would like to thank the NCUA for the opportunity to comment on the Proposed Regulations: Risk-Based Capital — Supplemental Rule. Our response is offered, as follows:

- We appreciate the proposed rule to amend the NCUA's October 29, 2015, final rule regarding Risk-Based Capital by delaying the effective date by one year from January 1, 2019, to January 1, 2020. However, we believe that the NCUA should consider a delay of up to two years or more to give credit unions adequate time to make the necessary adjustments to meet the 10% RBC target. As part of this proposal, we also believe that the NCUA should consistently apply this delay in the effective date to the ten-year deferral period associated with supervisory mergers (example: under the proposed one-year delay, the January 1, 2029, effective date would adjust to January 1, 2030).

- Relative to the proposed definition of a complex credit union, we believe that assets should not be the only consideration when assessing the complexity of a credit union. This one-dimensional approach of defining complexity solely on asset threshold does not sufficiently capture the risk-based complexities of a given Credit Union's balance sheet or activities.

Finally, while we understand that the NCUA may not be seeking input regarding the proposed RBC Rule beyond the one-year implementation delay and the definition of a complex credit union, we would like to take this opportunity to ask that the change in treatment of goodwill in the RBC formula be re-considered.

By way of background, in 2010 and 2011, Chartway completed three supervisory mergers in a manner that was mutually beneficial to our credit union members, acquired credit union members, and the NCUA – and did not compromise our strong capital position. These acquisitions provided us with a platform for growth while simultaneously saving the NCUSIF fund approximately $37 million (with no assistance requested). As such, we respectfully request that the NCUA re-consider and permanently defer / remove (or grandfather prior to final RBC ruling) supervisory merger related goodwill in this proposed RBC Rule. We believe that Chartway's members and the industry's membership at-large stands to benefit from relevant products and services that are driven by the ability to grow. With that, an RBC rule that balances safety and soundness without compromising growth is a must.

Again, thank you for the opportunity to comment on this critical issue impacting the credit union industry and its members. Should you have any questions regarding this response, please don't hesitate to contact me directly at (757) 222-3051.

Best,

Brian T. Schools

NCUA

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