

September 06, 2018

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

RE: Comments on Proposed Rule: Risk-Based Capital-Supplemental Rule

Dear Mr. Gerald Poliquin,

Introductory paragraph:

I am writing on behalf of [Pearl Hawaii FCU], which serves [the community of the Island of Oahu]. We have [28,745] members and [\$375,997,958] in assets. [Pearl Hawaii FCU] appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed Risk-Based Capital-Supplemental Rule.

Letter Body:

Should the definition of a complex credit union be amended to increase the threshold level for coverage from *more than \$100 million in total assets to more than \$500 million in total assets*? Why, or why not?

Agree with raising the threshold to \$500 million. NCUA's own analysis identifies that the majority of the complex assets are held by the top 10% of the credit unions. These are the credit unions which are \$500 million in assets or larger

If you recommend a different assets threshold, what is it, and why?

Not recommending a different asset

Should the effective date for the 2015 Final Rule be extend until January 1, 2020? Why, or why not?

Yes, it would provide credit unions a little more time to prepare for the rule.

If you recommend a different effective date later than January 1, 2020, what is it, and why?

No

Do you agree that using a single asset-size threshold, based on a complexity index and complexity ratio, is appropriate? Why, or why not?

Yes, smaller credit unions don't normally have the size or capacity to make large commercial loans, sell participation loans or get involved with complex transactions.

If you recommend a different definition for a complex credit union, what is it, and why?

No change in definition

Do you agree with the proposed amendments to the complexity index indicators? Why, or why not?

I agree with the proposed amendments

Should other complexity index indicators be amended, removed, or added? Please explain.

I agree with the proposed amendment

Do you agree with the use of a new complexity ratio (in addition to the revised complexity index) to evaluate the extent to which credit unions are involved in complex activities? Why, or why not?

Agree with the proposed amendments

Summary of your position:

[Limit the rule to credit unions with assets of \$500 million or greater and delay implementation of the rule to 2020.]

Closing paragraph:

Thank you for the opportunity to comment on this Proposed Rule and for considering our views on the Risk-Based Capital—Supplemental Rule.

Sincerely,

Gordon Sam
Board Chairperson
Pearl Harbor FCU

cc: CCUL