



Filed via regcomments@ncua.gov

September 6, 2018

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

Re: Risk-Based Capital – Supplemental Rule
RIN 3133-AE90

Dear Mr. Poliquin:

The Illinois Credit Union League (ICUL) is the primary trade association for 235 state and federally chartered credit unions throughout the State of Illinois, who in turn serve over 3 million consumers. We appreciate the opportunity to comment on the proposed rule regarding the National Credit Union Administration's Risk Based Capital – Supplemental Rule.

While we support NCUAs mission to ensure the safety and soundness of federally insured credit unions, we remain troubled by the Risk Based Capital (RBC) rule. RBC creates a significant regulatory burden and places undue limitations on credit unions at a cost to the members they serve. As exhibited during the stresses of the 2008 financial crisis, natural person credit unions and the National Credit Union Share Insurance Fund emerged able to withstand dramatic macroeconomic shocks.

If NCUA elects to pursue the RBC supplemental rule as proposed, we agree with NCUAs intent to delay the effective date of the RBC rule, however, we suggest postponing the effective date for a period of two years, until January 1, 2021 rather than the proposed one year. Extending the effective date of the 2015 Final Rule by two years would provide credit unions and NCUA additional time to adjust systems, processes and procedures and would promote a smooth transition for complex credit unions affected by the requirements of the 2015 Rule.

We support NCUAs proposal to reduce the regulatory burden on credit unions by more loosely tailoring the applicability of the NCUA's risk-based capital requirement to cover only those credit unions that could present an undue risk of loss to the NCUSIF. The proposal would increase the threshold level from \$100 to \$500 million for defining a complex credit union. While we appreciate NCUAs efforts to ease regulatory responsibility, we propose the threshold level be increased to \$10 billion. A higher



threshold will better align with the oversight provided by both the NCUA Office of National Examinations and Supervision and the Consumer Financial Protection Bureau.

In summary, we applaud NCUA for its efforts in identifying the impact of an escalating regulatory landscape and its willingness to reassess certain provisions of the RBC rule. However, we remain concerned with the added layer of compliance and encourage the agency to consider delaying the RBC effective date for a period of two years and increase the threshold level of RBC coverage to \$10 billion.

Thank you for the opportunity to comment on the proposed RBC- Supplemental Rule. Should you have questions concerning our comments, please don't hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Joni Senkpeil". The signature is written in a cursive, flowing style.

Illinois Credit Union League

By: Joni Senkpeil, VP Compliance Solutions