

VIA EMAIL TO: regcomments@ncua.gov

September 7, 2018

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

RE: Risk-Based Capital—Supplemental Rule (RIN 3133–AE90)

Dear Mr. Poliquin,

On behalf of Digital Federal Credit Union (DCU), thank you for the opportunity to provide comments on the National Credit Union Administration's (NCUA) Risk-Based Capital—Supplemental Rule (Proposed Supplemental Rule). The NCUA has made commendable changes to the risk-based capital (RBC) regulations since the original issuance of proposed rules in early 2014 and again in early 2015.

The Proposed Supplemental Rule requested comments specifically on whether the definition of a complex credit union, as defined under Section 701.103 of the 2015 Final Rule, should 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. DCU supports increasing the threshold level from more than \$100 million in total assets, although believe the NCUA should revisit the Proposed Supplement Rule's stated revised threshold level of \$500 million in total assets. We believe a higher asset threshold level should be established along with consideration to the revised complexity index and complexity ratio as factors to define a credit union as complex.

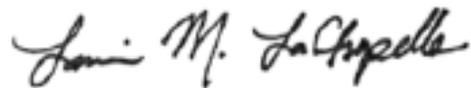
The Proposed Supplemental Rule also requested comments specifically on whether the implementation date for the 2015 Final Rule should be amended to extend the effective date of the rule until January 1, 2020. We believe the NCUA should further delay the effective date for covered credit unions and the NCUA to have sufficient time to implement necessary systems, processes, and procedures. Additionally, further delay of the effective date would allow for covered credit unions to strategically plan for the capital needs required to meet the RBC requirements.

Based on our review of the revised complexity index changes within the Proposed Supplemental Rule, we believe the NCUA should consider redefining "commercial loans" and "real estate loans" within the list of complex products and services to exclude inherently less complex categories of such loans based on other existing regulatory requirements already in place to mitigate risks.

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In closing, thank you for this opportunity to comment on the National Credit Union Administration's Risk-Based Capital—Supplemental Rule. We look forward to additional communication related to improving the effectiveness of capital adequacy for credit unions.

Sincerely,

A handwritten signature in cursive script that reads "Laurie M. LaChapelle". The signature is written in black ink and is positioned above the printed name and title.

Laurie M. LaChapelle
Senior Vice President of Finance