

September 6, 2018



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

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

Dear Mr. Poliquin:

Royal Credit Union appreciates the opportunity to respond to the National Credit Union Administration (NCUA) regarding the proposed Risk-Based Capital Supplemental Rule.

Royal Credit Union is a \$2.3 billion community chartered credit union serving 200,000 members. We have been a Member business lender for the past 35 years. Given the size of our portfolio and the years of experience as a Member business lender, we are a resource for the credit union community.

The proposed rule to change the effective date from January 1, 2019 to January 1, 2020 is a step in the right direction. However, Royal requests the NCUA to consider extending the effective date by a minimum of two years, preferably more. Credit unions have limited options to raise capital outside of retained earnings. Credit unions impacted by the rule will need time to adjust business strategies and processes to meet the requirements of the rule.

The proposed amendment to the definition of a “complex” credit union from \$100 million to \$500 million does not address, in our opinion, an accurate definition of what it means for a credit union to be complex. Asset size alone does not indicate the complexity of a credit union. We believe an asset limit higher than \$500 million paired with consideration for the complexity of products and services offered by a credit union should be included in the equation.

Royal Credit Union appreciates the NCUA for reevaluating some of the concerns regarding the rule as issued in 2015; we thank you for the opportunity to comment. Please feel free to contact me at (715) 833-8144 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Ryan Balts'.

Ryan Balts
Vice President - Finance
Royal Credit Union