NEW YORK creditunion ASSOCIATION

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July 22, 2019

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

Re: Proposed Rule: Risk-Based Capital – Delay of Effective Date

Dear Mr. Poliquin:

The New York Credit Union Association (the Association), which has advanced the interests of New York credit unions for over one hundred years, appreciates the opportunity to comment on the National Credit Union Administration's (NCUA) proposed regulations delaying the effective date of the risk-based capital rules ("the Proposal"). The Proposal seeks to delay the effective date of the rules until January 1, 2022. Subject to the comments below, NYCUA is supportive of the Proposal.

The NCUA originally approved the risk-based capital rule in October 2015, then scheduled to go into effect on January 1, 2019 (2015 Final Rule). NCUA indicated the final rule "…will provide regulatory relief to non-complex credit unions [and] protect the vast majority of well-run and well-capitalized credit unions and reduce the chances of them paying losses when a small number of credit unions gamble with other people's money."

NCUA subsequently passed a supplemental final rule amending the 2015 Final Rule by delaying the effective date until January 1, 2020, and raising the asset threshold for a complex credit union from $100 million $500 million (2018 Supplemental Rule). Raising the asset threshold will exempt over 1,000 federally-insured credit unions from the rule.

The current proposal would delay both the 2015 Final Rule and the 2018 Supplemental Rule until January 1, 2022 and is being proposed to give the NCUA additional time to consider improvements to the proposal.

The Association supports the proposed delay and encourages the NCUA to reexamine the rules to consider whether they should be applied to credit unions at all. One of the primary reasons former Chairwoman Matz advanced sophisticated risk-based capital requirements was that she believed NCUA was required to impose a capital framework on complex credit unions comparable to the framework imposed on banks[1]. Now that bank regulators are considering revisions to community bank[2] capital requirements, NCUA should consider taking similar steps for credit unions.

If any questions arise, please do not hesitate to reach out.

Sincerely,

William J. Mellin
President/CEO

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[1] https://www.cutimes.com/2015/01/16/ncua-disagrees-on-rbc-legality-onsite-coverage/

[2] https://www.fdic.gov/news/board/2018/2018-11-20-notice-sum-b-fr.pdf