CAROLINAS
CREDIT UNION LEAGUE

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July 26, 2019

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke St
Alexandria, VA 22314

Re: Comments on Proposed Rule: Delay of Effective Date – Risk-Based Capital Rules RIN 3133-AF01

Dear Mr. Poliquin:

The Carolinas Credit Union League (CCUL), the association representing 130 credit unions in the Carolinas, submits the following comments in response to the National Credit Union Administration's (NCUA) request for comments on the proposed rule to delay the effective date of the risk-based capital rule. More than financial institutions, credit unions are community institutions anchored in the people helping people philosophy. With that in mind, CCUL protects and advocates for credit unions and their best abilities to serve their member-owners and communities.

CCUL agrees that the delay of the risk-based capital rule to January 1, 2022 provides credit unions additional time to prepare for the rule and allows the agency the opportunity to evaluate the rule in a more "comprehensive and holistic" approach. Specifically, NCUA listed three topics they plan to consider as they evaluate the rule: an alternative leverage ratio, securitization rules, and subordinate debt rules.

The agency also has stated that they plan to issue supplemental capital rules along with guidance before the effective date of the risk-based capital rule. Since the current effective date is January 1, 2020, any rule or guidance would not be finalized before this effective date. Therefore, it is appropriate for the agency to delay the effective date so the agency may finalize rules and guidance and provide credit unions ample time to comply with the rule.

Finally, CCUL agrees that proposing the delayed effective date of the rule would provide the agency ample time to complete its modernization of the Call Report and examination process.

While CCUL appreciates NCUA's proposal to delay the effective date of the risk-based capital rule, we continue to assert that the rule is fundamentally flawed and produces more unnecessary regulatory burden. As we have stated previously, credit unions performed well during the 2008 financial crisis without a risk-based capital rule similar to that of the FDIC. This proves that such a rule is not necessary.

Sincerely,

Jeanne S. Couchois

Jeanne Couchois
SVP Risk Management Resources, General Counsel