



July 29, 2019

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

RE: Public Unit and Nonmember Shares

Dear Mr. Poliquin:

Royal Credit Union appreciates the opportunity to respond to the National Credit Union Administration (NCUA) concerning the proposed rule regarding public unit and nonmember shares.

Royal Credit Union is a \$2.6 billion community chartered credit union serving 215,000 members. We are a strong lender in the communities we serve to meet our members' borrowing needs.

At Royal, we focus on the following three areas of lending to meet our members' needs and to support economic growth in the communities we serve: residential mortgages, personal/automotive loans, and business loans.

Further, as a certified Community Development Financial Institution (CDFI), we are committed to providing financial tools and education for all, especially people who are unserved or underserved—this can include a person with short or limited credit history or a family with lower income.

To meet loan demand, Royal historically has managed to a loan-to-deposit ratio near, or slightly above, 100 percent. Over the past 10 years, our loan-to-deposit ratio has ranged from 96 to 103 percent. Today, we have no outstanding borrowings and currently do not borrow from our available lines of credit to funds loans; we have kept those dollars available in the event of an economic or liquidity shock.

We offer very competitive deposit and loan rates to our members. Monthly, we compare our rates to our key market competitors; we consistently rank in the top 25th percentile for the best rates for both deposits and loans; having great rates allows Royal to put more money in our members' pocket.



Despite great deposit rates, we do rely on nonmember wholesale certificates of deposits to fund our loan demand. Currently, we are well within the 20 percent of total shares limit, but with continued pressure on deposits, we have seen our dependency on wholesale increase in the past 12 months.

Increasing the public unit and nonmember shares limit from 20 percent to 50 percent would provide Royal and our peer credit unions access to more liquidity to meet our members' needs and would strengthen our overall liquidity management by allowing greater flexibility to manage our sources of funding.

Royal Credit Union appreciates the NCUA for taking time to consider changing this important rule; 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, appearing to read 'Ryan Balts'.

Ryan Balts
Vice President - Finance
Royal Credit Union