



September 7, 2018

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314
Via email: regcomments@ncua.gov

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

Dear Mr. Poliquin:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the proposed Risk-Based Capital Supplemental Proposal.

HCUA appreciates NCUA's re-consideration of the Risk-Based Capital (RBC) rule as issued in 2015. The express intent of the 2015 Final Rule is to reduce the likelihood that a relatively small number of high-risk outlier credit unions would exhaust their capital and cause large losses to the NCUSIF. The proposed RBC does not function to effectively address relevant concerns, as most of the issues during the previous financial crisis were confined to the corporate credit union arena and the agency has already effectively addressed these concerns. As a result, the proposed rule regarding RBC would place unnecessary burdens to credit unions at the cost of credit union members.

The proposed rule raises the threshold level for RBC compliance to credit unions with greater than \$500 million in assets. Approximately eighty-five (85) percent of complex assets and liabilities and seventy-six (76) percent of the total assets in the credit union system would still be subject to the RBC requirement, which is a significant percentage of credit unions affected by the RBC requirement. We believe this RBC threshold for complex credit unions should be significantly higher to align

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with the eligibility for supervision under the NCUA's Office of National Examinations and Supervisions, as well as the threshold for supervision under the Bureau of Consumer Financial Protection.

The proposal also would extend the compliance date by one year, to January 1, 2020. HCUA continues to support efforts to delay the effective date of the RBC rule for a period of two years, until January 1, 2021.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive style with a large, prominent 'B' and 'D'.

Brad Douglas
President/CEO