



July 26, 2019

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

Re: Delay of Effective Date of the Risk-Based Capital Rule; RIN 3133-AF01

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 National Credit Union Administration's (NCUA) notice of proposed rulemaking regarding a delay of the effective date of risk-based capital (RBC) rule.

We support the NCUA Board's proposal that would delay the effective date of the RBC rule from January 1, 2020, to January 1, 2022. The proposed delay would also provide covered credit unions and the NCUA with additional time to prepare for the rule's implementation. HCUA is in agreement with NCUA in that the additional time would benefit credit unions as they work to implement the Financial Accounting Standards Board's (FASB) final current expected credit loss (CECL) standard. This would allow credit unions the additional time to allocate resources to the implementation of CECL. While FASB has tentatively agreed to delay the CECL effective date, we believe a delay in the RBC rule effective date will be a benefit to credit unions.

We maintain that the RBC rule is functionally unnecessary. The RBC rule places significant burdens on credit unions and needlessly coerces credit union asset allocations which are all at a significant cost to credit union members.

Furthermore, we appreciate the NCUA's plan to use the proposed delay to review additional issues related to credit union capital, including whether asset securitization and subordinated debt should be addressed, and whether a community bank leverage ratio analog should be integrated into the NCUA's capital standards.

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 initial "B".

Brad Douglas
President/CEO

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