



OHIO CREDIT  
UNION LEAGUE

July 25, 2019

Gerard Poliquin  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314

Re: Request for Comment-Risk-Based Capital-Delay

Dear Mr. Poliquin,

The Ohio Credit Union League (OCUL) appreciates the opportunity to submit comments concerning the National Credit Union Administration's (NCUA) proposed changes to the 2015 final rule implementing a new regulatory framework for risk-based capital (RBC).

As Ohio's 262 credit unions continue to modernize operations, enhance member-experience, and offer consumer-friendly, non-predatory financial services, they look to their prudential regulator to assist in creating an efficient and effective operating environment through the implementation of common-sense rules and regulations. For this reason, we support NCUA's efforts to delay the effective date of the 2015 RBC Rule and the 2018 Supplemental Rule. We applaud NCUA for reconsidering the RBC Rule and revisiting key provisions.

OCUL previously wrote in support of the 2018 Supplemental Rule which delayed the 2015 RBC Rule by one-year and made significant alternations, such as to the asset threshold of a complex credit union. At the time, we articulated our continuing concerns with the RBC Rule and its 2018 Supplemental Rule, as OCUL believes the agency has sufficiently addressed this issue through Part 704.

NCUA is now proposing to extend the effective date of the 2015 RBC Rule and the 2018 Supplemental Rule to January 1, 2022. OCUL supports delaying the effective date until 2022. We believe such a delay is necessary and appropriate. As NCUA notes in this rule proposal, the agency plans to use the additional time to "holistically and comprehensively evaluate the NCUA's capital standards...the Board would examine 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." We support the regulatory relief direction NCUA is indicating by delaying the RBC Rule and encourage NCUA to press further in providing relief for credit unions as the agency conducts its internal study.

However, we urge NCUA to also reexamine the threshold for the "complex" credit union definition. Previously, NCUA increased the threshold to \$500 million in assts from \$100 million in assets. We suggest a higher level (perhaps at the \$10 billion level, which has been rationalized as a differentiating threshold in other financial institution regulatory settings).

We appreciate the opportunity to engage with NCUA and provide comments on delaying the 2015 RBC Rule and its 2018 Supplemental Rule. We urge NCUA to continue to study the effectiveness and functionality of the rule. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at (800) 486-2917.

Respectfully,



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10 West Broad Street, Suite 1100, Columbus, Ohio 43215  
614-336-2894 • 800-486-2917 • fax 614-336-2895 • [www.OhioCreditUnions.org](http://www.OhioCreditUnions.org)



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A handwritten signature in black ink, appearing to read 'Paul L. Mercer'.

Paul L. Mercer  
President

A handwritten signature in black ink, appearing to read 'Miriah Lee'.

Miriah Lee  
Regulatory Counsel



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