Indiana Credit Union League
The association of Indiana credit unions

July 24, 2019

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

Re: Delay of the Effective Date of the Risk-Based Capital Rules (RIN 3133–AF01)

Dear Mr. Poliquin:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the National Credit Union Administration's (NCUA) Delay of the Effective Date of the Risk-Based Capital Rules proposal. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than two million consumers.

The League appreciates NCUA's proposed extension of the effective date of the risk-based capital (RBC) rules. We strongly support the proposal to extend the effective date to January 1, 2022. As NCUA takes this additional time to further review the risk-based capital rule, we encourage you to consider whether the rule is even necessary. As we have stated in previous comment letters on this subject, we do not believe it is necessary, and we have always considered this rule as a solution in search of a problem. In our opinion, NCUA has not demonstrated the need for this rule.

Should you decide to ultimately move forward with this rule, we believe the threshold for RBC compliance should be increased from $500 million to at least $10 billion in assets. A $10 billion threshold would align with the eligibility for supervision under the NCUA's Office of National Examinations and Supervision as well as the threshold for supervision under the Consumer Financial Protection Bureau.

We also believe that any RBC rule should include alternatives for supplemental capital (subordinated debt). This would provide affected credit unions with the tools necessary to manage their capital levels as well as the risks within their balance sheets. As you are aware, the current capital structure is very limiting when it comes to growing capital quickly. Supplemental capital would better position credit unions to manage their capital levels as needed.

On behalf of Indiana credit unions, we appreciate the opportunity to comment on this proposal. If you have any questions about our letter, I would welcome the opportunity to discuss it. I can be reached at (317) 594-5320.

Sincerely,

John McKenzie

John McKenzie
President, Indiana Credit Union League

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