



strength in members.

May 4, 2015

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

Dear Mr. Poliquin:

On behalf of the New York Credit Union Association, I am writing this letter in support of NCUA's proposal to increase to \$100 million in assets the size of credit unions categorized as "small" under the Regulatory Flexibility Act (RFA). Doing so is consistent with NCUA's proposed definition of a complex credit union for Risk-Based Capital purposes and would create more parity with banks. Banks are currently considered small if they have \$500 million or less in assets, so an increase to at least \$100 million for credit unions is appropriate.

The Regulatory Flexibility Act requires NCUA to include with a proposed rule an analysis of potentially differing compliance or reporting requirements or timetables that take into account (1) the resources available to small entities; (2) the clarification, consolidation or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof. Although the regulation has historically been of little value to credit unions, in recent years NCUA has coupled an increase in the size of small credit unions from \$10 million to \$50 million with a willingness to extend mandate relief to more credit unions. For example, smaller credit unions now have access to the services of the Office of Small Credit Union Initiatives and are exempt from regulations that require larger institutions to have emergency lines of credit. It is our hope that NCUA is raising the threshold to at least \$100 million in preparation of exempting even more credit unions from future mandates, such as Risk-Based Capital and Interest Rate Risk requirements.

However, some of our smaller credit unions have expressed reservations with this proposal. They are concerned that, as more credit unions are classified as "small" for RFA purposes, NCUA may become less willing to extend mandate relief to RFA credit unions. Consequently, the Association requests that, in finalizing this regulation, the NCUA explain in the preamble the circumstances under which it may make distinctions among small credit unions, and also how the RFA designation will be used to expand and not limit the mandate relief available to credit unions.

The Association strongly supports efforts to maximize the amount of mandate relief available to credit unions. We urge the board to continue considering ways in which the compliance burden on credit unions can be reduced.

Sincerely,

A handwritten signature in black ink, appearing to read "William Mellin".

William Mellin
President/CEO
New York Credit Union Association