

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

July 7, 2014

The Honorable Debbie Matz
Chairman
National Credit Union Administration Board
1775 Duke Street
Alexandria, VA 22314

Dear Chairman Matz:

I write today with respect to the "risk-based" capital rule proposed by the National Credit Union Administration (NCUA) on January 23, 2014. It is my understanding that this rule would institute far-reaching changes in the Prompt Corrective Act (PCA) regime, including replacing the agency's current risk-based net worth requirements with new requirements for federally insured credit unions with over \$50 million in assets. I ask that you provide the Subcommittee with information about how the rule was developed and what impact it will have on the credit union community in terms of growth and innovation, as well as any impact on the larger economy and job creation.

Accordingly, please provide the Subcommittee with the following no later than 5:00 p.m. Friday, July 18, 2014:

1. Any cost benefit analyses performed by the NCUA or that otherwise form part of the administrative record in this matter;
2. The metrics used to determine what asset classifications required revision;
3. A justification for the revised weighting associated with each individual asset class; and
4. An explanation of the extent to which NCUA examiners would be empowered to assess and make capital recommendations to credit unions that might deviate from the new risk-based capital standards.

Given the breadth and scope of the changes the proposed rule would make, the implementation stage will be critical. As a matter of fairness and transparency, the public deserves the opportunity to understand the logic behind the proposal.

Thank you for your attention to this matter. Should you have any questions regarding this request please contact Jennifer Flitton or Matt Mulder of Committee staff at 202-225-7502.

Sincerely,



PATRICK MCHENRY
Chairman

Subcommittee on Oversight and Investigations

cc: The Hon. Al Green, Ranking Member