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**B. Dan Berger**  
President & Chief Executive Officer

National Association of Federal Credit Unions | [www.nafcu.org](http://www.nafcu.org)

February 23, 2015

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

RE: NCUA's Risk Mitigation Strategy

Dear Chairman Matz:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I am writing to you to urge the National Credit Union Administration (NCUA) to provide greater detail about the agency's plans and initiatives to address perceived risks in the credit union system.

In the past several years, NCUA has proposed or finalized rules, and made legislative requests seeking to mitigate perceived risks within credit unions. These include the agency's current proposal on risk-based capital and its recent final rule on emergency liquidity. Also, NCUA has indicated that one of its legislative priorities is the establishment of a risk-based share insurance premium structure and has noted its intent to act in additional areas, such as interest rate risk. Taken all together, these initiatives have, and will continue to, impose undue regulatory burden on credit unions all in an effort to address the same perceived risk.

While NAFCU and our members acknowledge the importance of safety and soundness in the credit union system, we firmly believe that NCUA needs to more fully outline its long term strategy and goals, as credit unions are currently unable to fully analyze the impact of the agency's initiatives without knowing NCUA's ultimate goals for mitigating perceived risk. We strongly believe that credit unions are entitled to know NCUA's overall design for addressing perceived risk within the credit union system. Specifically, NAFCU requests that the agency disclose how its current proposal on risk-based capital, its recent final rule on emergency liquidity, and its supervisory attention to interest rate risk fit in to NCUA's long term risk mitigation plan. Further, NAFCU asks that NCUA share its anticipated timeline for proposing

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and implementing any new rules or guidance that would seek to address risk in the credit union industry.

We hope that the agency will take the steps necessary to provide this information to credit unions and we look forward to working with you in that effort. Should you have any questions or would like to discuss these issues further, please contact me by telephone at (703)-842-2215, or Carrie Hunt, NAFCU's Senior Vice President of Government Affairs and General Counsel, at (703) 842-2234 or [chunt@nafcu.org](mailto:chunt@nafcu.org).

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger". The signature is written in a cursive style with a long horizontal stroke extending to the right.

B. Dan Berger  
President and CEO

cc: The Honorable Richard Metsger, Vice Chairman  
The Honorable Mark McWatters, Board Member  
Larry Fazio, Director of the Office of Examination and Insurance