



Credit Union National Association

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March 26, 2007

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 1-5
Washington, DC 20219
Attention: Docket Number 06-15
regs.comments@occ.treas.gov

Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Attention: Docket Number R-1238
regs.comments@federalreserve.gov

Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: Comments/Legal ESS
comments@fdic.gov

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No. 2006-49
regs.comments@ots.treas.gov

Re: Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance:
Domestic Capital Modifications, [71 FR 77446-518](#)

To Whom It May Concern:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the notice of proposed rulemaking (NPR) issued jointly by the banking regulators regarding new Basel IA standards. CUNA represents approximately 90 percent of our nation's 8,700 federal and state-chartered credit unions, which serve nearly 87 million consumers.

Credit unions are not currently subject to the Basel-type capital requirements that other federally insured institutions are. However, legislation has been introduced in Congress (the 2007 Credit Union Regulatory Improvements Act, H.R. 1537) that would replace the current credit union prompt corrective action (PCA) system with risk-based capital requirements that must take into account all material risks that are factored into bank risk-based capital standards. Thus, upon passage, although the National Credit Union Administration (NCUA) would not be required to apply the same system in place for banks, NCUA will be guided by the Basel IA standards then in effect. In that context, CUNA provides the following comments on several issues raised in the NPR.

- **Simplicity vs precision in risk evaluation.** The vast majority of credit unions operate with uncomplicated balance sheets and with net worth levels well in



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