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Cooperative Credit Union Association and Maryland & DC Credit Union Association Issue Joint Letter to NCUA Urging for the Delay of Risk Based Capital Rule

MARLBOROUGH, MA & COLUMBIA, MD – The Cooperative Credit Union Association and Maryland & DC Credit Union Association today issued a joint letter to NCUA calling on NCUA to delay the implementation of risk-based capital. The letter also requested that NCUA raise the threshold for complex credit unions to \$500 million.

The joint letter illustrates the impact of the new rule has on credit unions.

“While other regulations may only impact a specific area of a credit union, risk-based capital considerations take place from top to bottom. Therefore, many more individuals within each credit union must have a firm understanding of the requirements under the rule,” the letter reads.

The letter highlights the top reasons for delaying implementation, namely the health of the credit union industry and that the implementation delay set forth in the rule does not provide sufficient time for credit unions to prepare. The letter requests a five to seven-year timeframe for credit unions to implement the significant changes necessary to readjust to the new rule.

Also addressed by the joint letter is the asset threshold for compliance with a risk-based capital rule, which both CCUA and MDDCCUA agree should be at least \$500 million.

“It is imperative that any final risk-based capital rule properly balance potential NCUSIF losses with the vision of a credit union’s management and Board to develop and implement strategic plans and products and services that best serve its membership, and it is our position that the current proposal does not strike that balance,” the letter concludes.

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About Cooperative Credit Union Association

The Cooperative Credit Union Association is a regional trade organization serving as the voice for nearly 200-member credit unions located primarily throughout Delaware, Massachusetts, New Hampshire, and Rhode Island. CCUA members hold combined assets in excess of \$45 billion and serve a collective membership base of more than 2.3 million consumers. It’s on behalf of these member credit unions that CCUA advocates before Congress and state legislatures, regulatory bodies and the general public through its Better Values—Better Banking consumer awareness campaign. In addition to advocacy, CCUA also engages its members with an array of industry resources, from compliance assets and marketing support to vetted products and service

providers; an array of educational workshops and conferences; and a variety of communication channels that include a daily e-newsletter, live and recorded video programs, and a quarterly magazine focused on CCUA's advocacy initiatives. For more information, visit www.CCUA.org.

About Maryland & DC Credit Union Association

The MD|DC Credit Union Association works relentlessly on behalf of our member credit unions to advocate, educate, communicate and collaborate to help you compete and thrive in the financial marketplace. By leveraging the resources provided in these core areas, our affiliates are well-informed, better connected, well-represented and empowered to grow and succeed.