

United States Senate
WASHINGTON, DC 20510

COMMITTEES:
HEALTH, EDUCATION,
LABOR, AND PENSIONS

BUDGET

SPECIAL COMMITTEE
ON AGING

COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS

COMMITTEE ON ENERGY
AND NATURAL RESOURCES

June 10, 2014

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

Re: Proposed Prompt Corrective Action: Risk-Based Capital Rule
RIN 3133-AD77

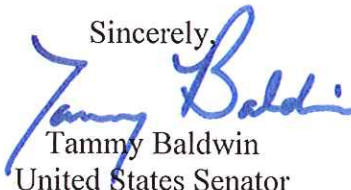
Dear Chairman Matz:

I write to you today regarding the National Credit Union Administration's (NCUA) proposed rule on risk-based capital. One of the most important lessons of the 2008 financial crisis is the need for adequate and appropriate capital standards. For years the NCUA has provided valuable guidance for our nation's credit unions in this regard and I applaud your efforts to continue to modernize capital rules. As you finalize this rule, I would encourage you to consider the concerns raised by credit unions in Wisconsin.

As you know, Wisconsin's credit unions are an important source of financial services in my state. They serve 2.4 million members, many from rural areas. These credit unions have contacted me with a number of concerns about the proposed rule, chief among them is that the rule does not properly capture the risks involved in their lending decisions. I urge you to work with Wisconsin's credit unions to ensure that the risk-based capital rules are appropriate for the risks on their balance sheets. Further I would encourage the NCUA to ensure that it allows credit unions sufficient time to comply with any new capital requirements.

Once again, thank you for all the work you do on behalf of taxpayers, credit unions, and credit union members. Your work is vitally important to the health of our economy. Thank you for taking the time to consider my request.

Sincerely,


Tammy Baldwin
United States Senator