



**National Association
of Federal Credit Unions**
3138 10th Street North
Arlington, VA 22201-2149

NAFCU | Your Direct Connection to Advocacy, Education & Compliance

July 8, 2016

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

**RE: Request for Extended Time to Comment on the Incentive-Based
Compensation Arrangement Proposed Rule**

Dear Mr. Poliquin:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally-insured credit unions, I am writing to request additional time to provide comment on this very expansive proposed rule.

NAFCU believes that satisfactory rulemaking, at a minimum, requires a process that provides stakeholders with sufficient opportunity to provide meaningful feedback and to suggest regulatory alternatives that will achieve the agency's goal, while minimizing regulatory burden. Although NCUA adopted a fragmented version of the proposed rule on April 22, 2016, substantive portions of the rule remained non-public until the full proposal was published on June 10, 2016 in the Federal Register. Unfortunately, given the complexity of this rule, it is our position that stakeholders need additional time beyond the July 22, 2016 comment deadline, a mere 42 days from publication.

Currently, there are more than 250 credit unions that would currently be covered by this rule. If this rule becomes finalized, additional credit unions will likely surpass \$1 billion in assets and become covered institutions by the time this rule becomes effective. Additionally, every business unit in every covered credit union would likely be affected by this rule. Further, given the number of regulatory agencies involved, the literal thousands of entities and hundreds of thousands of individuals directly and indirectly affected, this proposed rule is clearly far-reaching.

In order to take part in the rulemaking process, these credit unions and other stakeholders

National Credit Union Administration

July 8, 2016

Page 2 of 2

need sufficient time to (1) properly analyze this, (2) understand how it will impact their daily operations, (3) consider viable alternatives to achieve the agencies' goals, and (4) draft poignant comments that will help the agencies draft the best regulation possible. The July 22, 2016 deadline does not provide enough time to analyze and provide comment on this very complex rule.

So that credit unions and other stakeholders can provide meaningful feedback and raise potential issues that the proposal does not contemplate, NAFCU strongly urges NCUA and the other regulatory agencies to extend the comment period by at least 90 days from the original comment deadline, to October 20, 2016. Extending the timeline will give NAFCU and our member credit unions a sufficient amount of time to study this proposal and determine how it will actually affect its business operations. Consequently, NCUA and the other rulemaking agencies will receive much more detailed, practical, and useful feedback. In the end, it will make for a more robust rule with fewer unintended consequences.

Should you have any questions or would like to discuss these issues further, please do not hesitate to contact me at memancipator@nafcu.org or (703) 842-2249.

Sincerely,



Michael Emancipator
Senior Regulatory Affairs Counsel