



Indiana Credit Union League
The association of Indiana credit unions

December 28, 2020

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: Derivatives; RIN 3133–AF29

Dear Ms. Conyers-Ausbrooks:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the Derivatives proposal. The ICUL member credit unions represent 99% of assets and members of Indiana’s federally and state-chartered credit unions, with those memberships totaling more than 2.7 million consumers.

We support the proposed rule, and we believe it contains appropriate safety and soundness components, while providing more flexibility for federal credit unions (FCUs) to manage interest rate risk (IRR) with the use of derivatives.

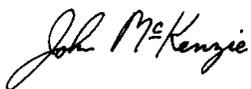
We also believe the proposal has the appropriate guardrails:

- Limiting permissible indices
- Contract maturity limits
- The agency reporting and frequency
- Board briefings and annual policy and procedures reviews
- The requirements for senior executive officers being able to understand, approve, and provide oversight of the derivatives program
- Internal control review

The proposal is also a step in the right direction by requiring a written notification within five business days after entering into the credit union’s first derivative transaction and eliminating the application process for FCUs with at least \$500 million in assets that have a CAMEL rating of 1 or 2. With the existing and proposed guardrails, we believe that the proposed notification requirements should also be applied to credit unions of all sizes.

We appreciate the opportunity to comment on Derivatives proposal. We ask the NCUA to consider our comments as discussed above. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,



John McKenzie
President, Indiana Credit Union League