AlaskaUSA®
Federal Credit Union

VIA EMAIL: regs.comments@federalreserve.gov

February 1, 2021

Ms. Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave., NW
Washington, DC 20551

To Whom it May Concern:

Re: Docket No. R-1731 and RIN No. 7100-AG01

Thank for you the opportunity to comment on the Federal Reserve's Interim Final Rule on Temporary Asset Thresholds. Alaska USA Federal Credit Union (Alaska USA) is a federally chartered credit union with just over $9.78 billion in assets as of December 31, 2020, serving over 696,000 members throughout the United States.

Alaska USA is exactly the type and size of financial institution described in the interim final rule. We have been deeply affected by the pandemic forces described in the rule, experiencing significant and unexpected asset growth while simultaneously taking every opportunity to assist our members. Alaska USA ended the 2019 calendar year with $8.33B in assets. At that time, and in light of our expected growth rate, we anticipated crossing the $10B asset threshold in 2023, and were at the front end of a multi-year strategy to prepare for that significant milestone. Now, just 13 months later, Alaska USA's asset size has grown to $9.78B as a result of federal stimulus funds, the one-time (COVID-related) early distribution of the annual Alaska Permanent Fund Dividend in July 2020, and consumer behavior reflecting the fear and unknown of the pandemic. The net result is that the pandemic has boosted our asset size while simultaneously reducing our preparation opportunities for the range of changes credit unions face when they cross $10B in assets.

We agree with the proposed interim final rule, but also suggest several improvements. First, the language in 12 CFR §235.5(a)(4)(i) should match its heading of "Temporary relief for 2020 and 2021." Despite the heading identifying 2021 relief, the language only addresses asset size calculations for 2020. This should be expanded to explain that on December 31, 2021, institutions may utilize their asset size on either December 31, 2019 or December 31, 2020, whichever is lower, for purposes of application of the regulation. Put another way, the regulation should be clarified to state that asset growth in 2020 <u>and/or</u> asset growth in 2021 will not trigger new requirements until July 1, 2023 at the earliest. Thus, an institution that had greater than $10B in assets on December 31, 2021, but was under $10B as of December 31, 2019, would be able to use the 2019 asset total and obtain another year to prepare for the impacts of the $10B threshold. This clarification is consistent with the stated intent of permitting regulated entities to use asset data as of December 31, 2019 for thresholds *through* December 31, 2021.

Second, there is no mention of credit unions in the proposed interim rule, despite the clear application of regulations to credit unions regarding Debit Card Interchange Fees. For clarification and the avoidance of doubt, the final rule should clearly indicate credit union entitlement to the relief described for purposes of interchange fees.

We appreciate the proactive work of the OCC, the FDIC, and the Federal Reserve Board in this area. Given the other impacts to credit unions that are not covered in this interim rule, we remain hopeful that the NCUA and CFPB will shortly follow suit with comparable extensions for the regulatory requirements and jurisdictional shifts that occur for credit unions in this current posture.

Sincerely,

Jessica Graham

Jessica Graham
Chief Risk Officer & General Counsel

cc: Geoff Lundfelt, President and Chief Executive Officer, Alaska USA
Cherie Freed, Regional Director, Western Region, NCUA