

**Risk-Based Capital Ratio: Risk Weights at a Glance**

		Final 2015 NCUA Rule	Final FDIC	Comparable to FDIC Risk Weight?
Category	Sub-Category	Risk Weight	Risk Weight	(Yes/No)
Numerator	<b>Equity</b> <i>(Includes undivided earnings, regular reserves, appropriation for non-conforming investments, other reserves, equity acquired in merger, net income, and secondary capital authorized for low-income designated credit unions)</i>	100%	100%	Y
	<b>Allowance for Loan and Lease Losses</b>	No cap	Capped at 1.25% of risk assets	N
	<b>National Credit Union Share Insurance Fund (NCUSIF) Capitalization Deposit</b>	-100%	n/a	n/a
	<b>Goodwill</b>	-100% <sup>1</sup>	-100%	Y
	<b>Other intangible assets (excludes mortgage servicing assets)</b>	-100% <sup>1</sup>	-100%	Y
<sup>1</sup> Special handling for allowing goodwill and other intangibles related to supervisory mergers incurred prior to 2015; phase-out date 2025.				
<b>Cash &amp; Deposits</b>				
	Cash, currency, coin	0%	0%	Y
	Cash on deposit on transaction account	n/a <sup>2</sup>	n/a <sup>2</sup>	n/a
	Cash items in process of collection	n/a <sup>2</sup>	20%	n/a
	Balances due from Federal Reserve Banks	0%	0%	Y
	Insured deposits in U.S. federally insured depository institutions	0%	0%	Y
	Uninsured deposits in U.S. federally insured depository institutions	20%	20%	Y
<sup>2</sup> The rule accounts for deposits as insured or uninsured for risk-weight purposes.				
<b>Investments</b>				
Denominator	Corporate non-perpetual capital ( <i>membership capital</i> )	100%	n/a	n/a
	Corporate perpetual capital ( <i>paid-in capital</i> )	100% <sup>3</sup> or 150%	n/a	n/a
	Direct unconditional claims on U.S. government	0%	0%	Y
	Debt instruments issued by NCUA and FDIC	0%	0%	Y
	Central Liquidity Facility stock	0%	0%	Y
	Agency obligations	20%	20%	Y
	General obligation bonds issued by state or political subdivisions	20%	20%	Y
	Federal Home Loan Bank stock	20%	20%	Y
	Investment funds holding only 0% - 20% risk-weighted 703 permissible investments	20%	<sup>7</sup>	Y
	Agency and GSE MBS or ABS structured securities	20% <sup>4,5</sup>	20%	Y
	Revenue bonds issued by state or political subdivisions	50% <sup>5</sup>	50%	Y
	Non-agency residential MBS structured securities	50% <sup>4,5</sup>	<sup>6</sup>	Y
	Interest-only MBS strips	100%	100%	Y
	Industrial development bonds	100%	100%	Y
	General account permanent insurance	100%	100%	Y
	Mutual funds – Part 703 compliant	100% <sup>7</sup>	n/a	n/a
	Non-subordinated tranche of any investment	100% <sup>6</sup>	<sup>6</sup>	Y
	Charitable donation accounts	100%	100%	Y
	GSE equity exposure or preferred stock	100%	100%	Y
	Separate account insurance	300% <sup>7</sup>	<sup>7</sup>	Y
	Publicly traded equity investment ( <i>non CUSO</i> )	100% <sup>3</sup> or 300%	300%	Y
	Fair value of mutual funds not compliant with Part 703.14(c)	300% <sup>7</sup>	<sup>7</sup>	Y
Non-publicly traded equity investment ( <i>non CUSO</i> )	100% <sup>3</sup> or 400%	400%	Y	
Subordinated tranche of any investment	1,250% <sup>6</sup>	<sup>6</sup>	Y	
<sup>3</sup> Subject to the non-significant equity exposure measure.				
<sup>4</sup> Exclude interest only.				
<sup>5</sup> Non-subordinated.				
<sup>6</sup> FDIC is subject to Gross-Up or Simplified Supervisory Formula Approach, NCUA has option of using Gross-Up Approach.				
<sup>7</sup> FDIC is subject to Look-Through Approach, NCUA has the option of using the Look-Through Approach.				
<b>Loans</b>				
	Share-secured loans (deposits held in-house)	0%	0%	Y
	Share-secured loans (deposits held in another financial institution)	20%	20%	Y
	Government-guaranteed portion of loan balances	20%	20%	Y
	Current secured consumer loans	75%	100%	N

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<b>Loans Continued...</b>				
	Current unsecured consumer loans	100%	100%	Y
	Current non-federally insured student loans	100%	100%	Y
	Non-current consumer loans	150%	150%	Y
	Statutory multifamily mortgage treatment for FDIC	Commercial	50%	N
	Current 1st-lien residential real estate loans <35% of assets	50% <sup>8</sup>	50%	Y
	Current 1st-lien residential real estate loans >35% of assets <sup>9</sup>	75% <sup>8</sup>	50%	N
	Non-current 1st-lien residential real estate	100%	100%	Y
	Current junior real estate loans < 20% of assets	100% <sup>8</sup>	100%	Y
	Current junior real estate loans > 20% of assets <sup>9</sup>	150% <sup>8</sup>	100%	N
	Non-current junior real estate loans	150%	100%	N
	Current commercial loans < 50% of assets	100% <sup>11</sup>	100% or 150% <sup>10</sup>	Y
	Current commercial loans > 50% of assets <sup>9</sup>	150% <sup>11</sup>	100% or 150% <sup>10</sup>	N
	Commercial loan balances secured by compensating balances	20%	n/a	n/a
	Non-current commercial loans	150%	150%	Y
<sup>8</sup> Includes 1- to 4-family, non-owner occupied real estate loans.				
<sup>9</sup> These are loans above the concentration risk thresholds for credit unions.				
<sup>10</sup> FDIC identifies certain loans as High Volatility Commercial Real Estate (HVCRE) and assigns a 150% risk weight.				
<sup>11</sup> NCUA final rule excludes from commercial loans 1- to 4-family, non-owner occupied first- or junior-lien real estate loans and excludes any loans secured by a vehicle generally manufactured for personal use.				
<b>Other Assets</b>				
	Loans to CUSOs ( <i>unconsolidated only</i> )	100%	100%	Y
	Investments in CUSOs ( <i>unconsolidated only</i> )	100% <sup>12</sup> or 150%	100% - 600%	N
	Mortgage servicing assets ( <i>carry value</i> )	250%	250%	Y
	All other assets	100%	100%	Y
<sup>12</sup> Subject to the Non-significant Equity Exposure measure				
<b>Deductions from Denominator</b>				
	NCUSIF capitalization deposit	-100%	n/a	n/a
	Goodwill	-100% <sup>1</sup>	-100%	Y
	Other intangible assets (excludes mortgage servicing assets)	-100% <sup>1</sup>	-100%	Y
<b>Off-Balance Sheet Items</b>				
	Credit Conversion Factor (CCF) / Risk Weighted (RW):	CCF/RW	CCF/RW	
	Commercial loans transferred with recourse	100%/100%	100%/100%	Y
	1st-lien residential real estate loans transferred with recourse	100%/50%	100%/50%	Y
	Junior-lien real estate transferred with recourse	100%/100%	100%/100%	Y
	Non-federally guaranteed student loans transferred with recourse	100%/100%	n/a	n/a
	All other secured consumer loans transferred with recourse	100%/75%	100%/100%	N
	All other unsecured consumer loans transferred with recourse	100%/100%	100%/100%	Y
	(NCUA) Loans transferred to FHLB under the Mortgage Partnership Finance Program	20%/50%	n/a	n/a
	Unfunded commercial loan commitments	50%/100%	20%-50%/100% <sup>13</sup>	N
	Unfunded 1st-lien residential real estate loan commitments	10%/50%	0%-50%/50% <sup>13</sup>	N
	Unfunded junior-lien real estate loan commitments	10%/100%	0%-50%/100% <sup>13</sup>	N
	Unfunded secured consumer loans	10%/75%	0%/100% <sup>13</sup>	N
	Unfunded unsecured consumer loans	10%/100%	0%/100% <sup>13</sup>	N
<sup>13</sup> FDIC - Credit Conversion Factor (CCF) is 0% if loan commitment is <u>unconditionally</u> cancellable. CCF is 20% if loan commitment is <u>conditionally</u> cancellable within 1 year and 50% if loan commitment is <u>conditionally</u> cancellable beyond 1 year.				

**This summary was prepared for general comparison purposes. Please read the rule text and preamble for more detail about each risk weight.**