



July 21, 2015

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Conflict of Interest Rule, Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

RE: RIN 1210-AB32, Definition of the Term “Fiduciary”; Conflict of Interest Rule—Retirement Investment Advice; Proposed Rule

To whom it may concern:

The following comments are submitted on behalf of Randolph-Brooks Federal Credit Union (RBFCU), a federally chartered credit union with a mission to improve its members’ economic well-being and quality of life. With assets exceeding \$6 billion, RBFCU serves more than 500,000 members from more than 50 branch locations across three major metropolitan areas in Texas – San Antonio, Austin and Dallas.

It is our understanding that the Department of Labor (DOL) proposes to expand the advisory relationships which would qualify as fiduciary relationships under the existing ERISA and other related regulations. Although RBFCU shares the DOL’s concerns regarding the financial well-being of investors, we do not believe the proposed rule currently achieves this goal in an efficient manner that would minimize unintended consequences for our members, credit unions and their service organizations or the investment market at large. We respectfully disagree with the proposed redefinition of a fiduciary relationship and encourage the DOL to reconsider its proposed rule in several important ways.

The regulation, as proposed, does not clearly lay out what information would create a fiduciary relationship and therefore subject employees of the credit union and its service organizations to constricting compliance burdens. Many American families rely on their financial institution’s full menu of financial services when planning for their future but the compliance consequences of the proposed rule could dissuade financial institutions from continuing to offer a wide array of financial planning advice or products. This could limit access to the financial planning information families need and could cause some families to not invest at all.

Like insured depository institutions nationwide, RBFCU has dealt with a series of substantial regulatory changes in recent years. The U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority have laws and licenses in place to protect investors. Although credit unions generally do not play a formal role in security compliance the National Credit Union Administration (NCUA) states that credit unions should monitor third party arrangements and changing investment

Austin
512-833-3300

San Antonio
210-945-3300

Toll-free
1-800-580-3300

rbfcu.org

One Randolph-Brooks Parkway, Live Oak, TX 78233 | P.O. Box 2097, Universal City, TX 78148-2097



activity to protect their members. The DOL's proposal to expand fiduciary roles and duties could increase a credit unions responsibility to step into a more formal oversight role in order to satisfy their obligations under the NCUA's rules. The result of further burdening financial institutions with additional compliance requirements may be that financial institutions are dissuaded from offering investments governed by the proposed rule, thereby limiting the type of investment options available to credit union members.

The current five part test for determining when an adviser acts as a fiduciary is a clear standard which protects investors and allows advisers to tailor investment information to each individual's needs and budget. By eliminating this standard and implementing the new definition of fiduciary with broad, undefined exemptions the DOL is introducing uncertainty into a market that thrives on predictable behavior to achieve targeted goals. We believe that the existing five part test and definition of fiduciary are sufficient and appropriate to protect investors, credit unions and their service organizations.

Given these important concerns, we strongly encourage the DOL to reconsider the proposed rule. Thank you for allowing us to provide you our feedback on these issues.

Sincerely,

Karissa Gonzalez
Vice President

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210-945-3300

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