

**From:** [Valekis, John V.](#)  
**To:** [Regulatory Comments](#)  
**Subject:** NCUA Risk Based Capital Proposal  
**Date:** Wednesday, March 26, 2014 9:54:36 AM

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National Credit Union Administration

I am an employee of Alabama Power Company and a volunteer as a Board member for APCO Employees Credit Union. APCO Employees Credit Union is located in Birmingham Alabama and serves employees and families of Alabama Power Company, Southern Company and several other select groups. We have approximately 69,000 members and assets approaching 2.5 billion. I am writing on behalf of the APCO Employees Credit Union and appreciate the opportunity to comment on NCUA's proposed Risk-Based Capital Rule.

I concur that a risk-based capital requirement is necessary; however the current proposal misses the mark. Of concern is that the risk-weight percentages are arbitrary and somewhat confusing. Investment risk weights by maturity do not account for credit risk. Mortgage loan risk weights do not account for maturity or for Adjustable Rate Mortgages. Also, the risk weights for consumer loans are confusing as well.

Lastly, the most troubling aspect of the proposal is the examiner's discretion to subjectively determine a Credit Union as being "too risky" and requiring additional capital. What one examiner might consider to be "too risky" might not be considered "too risky" by another examiner. This could result in putting undue hardships on Credit Unions and their members.

I appreciate you allowing comments on this issue and considering our views and comments.

Sincerely,

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