



## APCO EMPLOYEES CREDIT UNION

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Mr. Gerald Poliquin  
Secretary of the Board  
National Credit Union Administration

Thank you for the opportunity to comment on proposed changes to 12 CFR Parts 700-703, 713, 723 and 747; Prompt Corrective Action – Risk-Based Capital.

APCO Employees Credit Union serves the employees of Alabama Power, other select employee groups and family members of those employees. We have over 69,000 members holding \$2.4 billion in assets.

I see no reason credit unions should be held to levels of capital in excess of that of other financial institutions. I base this comment on the following:

- The percentage of credit union failures over the past several years are much lower than banks.
- During the recent financial crisis, natural person credit unions proved more resilient than banks.

Some immediate differences between the bank model and the proposed changes are:

- Investments for banks have a 20% weight and credit unions as high as 200%
- Nondelinquent First Mortgage Loans for banks have a 50% weight and credit unions as high as 100%
- Delinquent Real Estate Loans for banks have a 100% weight and credit unions as high as 150%
- Member Business Loans for banks have a 100% weight and for credit unions as high as 200%

If it is NCUA's desire to change the current Prompt Corrective Action rule by adopting a modified version of the bank model as other countries have done it should not raise the bar even higher. Credit union boards and staff have the expertise and knowledge to address risks with proper policies, procedures and other measures. Higher amounts of capital take away from our primary purpose – providing value to members. APCO Employees Credit Union recently won a national award for having the best value for its members. We will not be able to continue doing that and be a well capitalized credit union under the proposed regulation. **Please reconsider your proposal – not for me or APCO Employees Credit Union but for our MEMBERS!**

Regards,

Greg Keller, Loan Manager  
APCO Employees Credit Union