

Executive Offices

MAY 05 '14 PM 1:38 BOARD

April 15, 2014

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Via e-mail: regcomments@ncua.gov

RE: Comments on Proposed Rule: Prompt Corrective Action--Risk-Based Capital

Dear Mr. Poliquin:

I am Chairman of the Board of North Jersey Federal Credit Union. Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements. We serve Passaic and Bergen Counties and the underserved in Union and Essex Counties and the city of Newark. We have almost 32,000 Members and \$212,000,000 in assets. I believe the National Credit Union Administration (NCUA) is making a mistake on its proposed rule: Prompt Corrective Action - Risk-Based Capital.

I feel NCUA is punishing good credit union for the action of the bad few. Our credit union would be negatively affected by this proposed regulation. For example: We are well capitalized with a net worth of 10.45%; this currently requires a risk based capital ratio of 5.18%. Under the proposed regulations, our risk based capital requirement would be 16.56%. This is excessive and would place a restrictive burden on our credit union. The NCUA should only impose a higher capital requirement on credit unions as needed on a case by case basis.

I also disagree with the concept that NCUA could require the National Credit Union Share Insurance Fund 1% deposit to be ignored in the risk-based capital calculation. This doesn't make sense. Nor is it realistic to exclude good will when calculating the RBC numerator. We have successfully served our members for 78 years and our brand has valuable equity in the communities we serve.

Sincerely,


Frank Migliaccio
Chairman of the Board

Cc: Deborah Matz, Chairman
Michael E. Fryzel, Board Member

Other locations:

126 Market St., Suite 101
Paterson, NJ 07505-1409

30 Bergen St., Building 11, Room 1102
Newark, NJ 07107-3000

588 Martin Luther King Blvd.
Newark, NJ 07102-1214

61-63 Morris Ave.
Garfield, NJ 07026-3726