

From: [Phillip Crocker](#)
To: [Regulatory Comments](#)
Subject: Phillip Crocker – Comments on Proposed Rule: PCA – Risk-Based Capital
Date: Tuesday, May 13, 2014 2:56:57 PM
Attachments: [image002.png](#)
[image003.png](#)

Dear Mr. Poliquin:

As an employee of Resource One, this letter represents my views regarding the NCUA's proposal on PCA – Risk-Based Capital. Although it is commendable in theory, it would cause detrimental outcomes. I fully support the concept for risk-based capital for credit unions, but would like to voice my concern and offer the following comments with the intention of improvement:

The National Credit Union Administration has not demonstrated problems related to current prompt corrective action (PCA) regulation, other than a few isolated incidents. Credit Unions have long positioned themselves to be able to withstand economic hardships. The RBC proposal is hurting instead of helping the financial health of credit unions.

An item in the proposal that is very troubling is the concept that an Examiner can arbitrarily increase the required capital that a credit union will need to maintain. This is particularly troubling considering that the proposal is already more stringent than the banks. By allowing Examiners to require additional capital – would put credit unions in an unrealistic and inconsistent capital guideline. How would we even measure that additional required capital – accurately? “The examiner discretion” to change an asset’s risk rating is a major flaw by NCUA. It is crucial for credit unions to know objectively what their regulatory capital expectations are - to better manage specific goals. The capital rule should be standardized for all credit unions. If the regulation is properly developed - there should be no reason to change a risk rating.

Although the proposal has good intentions for the movement, the one-size-fits-all approach that applies to categories of assets, is a major weakness. We are all unique and there should be a better consistency within the proposal.

I appreciate your willingness in allowing me to express my comments on this impactful regulatory proposal. I respectfully encourage you to consider these improvements to the proposed Risk-Based Capital Rule. Thank you again for the opportunity to voice my opinions and comment on the proposal.

Sincerely,



Phillip Crocker

Financial Educator, CCUFC

Member/Owner since 2003

p: 214-565-5338 | f: 214-292-0745

www.r1cu.org |  

CONFIDENTIALITY NOTICE The information in this e-mail may be confidential and/or privileged. This e-mail is intended to be reviewed by only the individual or organization named above. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein is prohibited. If you have received this e-mail in error, please immediately notify the sender by return e-mail and delete this e-mail from your system.

This e-mail and any attachments may contain confidential information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal. Resource One Credit Union reserves the right to monitor all e-mail communications through its networks for quality control purposes.