

**From:** [Andres Monterrosa](#)  
**To:** [\\_Regulatory Comments](#)  
**Cc:** [Cleo Segovia](#)  
**Subject:** Andres Monterrosa-Comments on Proposed Rule: PCA- Risk Based Capital  
**Date:** Wednesday, May 14, 2014 9:43:08 AM  
**Attachments:** [image002.png](#)  
[image003.png](#)

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Dear Mr. Poliquin

As an employee of the 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 leave 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 on improvement.

- Credit Unions have survived various economic downturns, such as the last Recession. Why is more capital needed, if with the Recession, we proved that the movement had adequate capital? The excess capital will come at the expense of our members.
- Credit unions came through the last Recession in 2007-08, the largest recession since the Great Depression just fine, without the needing one penny of taxpayers' dollars.
- The allowance for loan loss is capped at 125% of risk assets. Credit unions would be penalized for being conservative in funding their allowance. Given that the allowance for loan loss must comply with generally accepted accounting principles, it would seem that 100% risk weight would be more appropriate for the allowance for loan loss.

I respectfully ask the NCUA to carefully review the proposed rule, to either eliminate or modify certain regulations for the development of all credit unions.



Andres Monterrosa  
Fraud Prevention Specialist  
Member/Owner since 2006  
p: 214-319-3125 |  
f: 214-292-0739  
[www.r1cu.org](http://www.r1cu.org) | [f](#) [in](#)



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