

May 14, 2014

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

RE: Comments on Proposed Rule: PCA - Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

I am writing on behalf of Siskiyou Central Credit Union, which serves the residence of Siskiyou County. We have 6,922 Members and \$59,500,000 in assets. SCCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk-Based Capital.

There are two areas of concern in the proposed regulation that I would like to address. The two concerns are: Individual Minimum Capital Requirements and Regulation Parity with FDIC.

### **Individual Minimum Capital Requirements**

The proposed rule would give NCUA discretionary authority to require a higher capital for individual credit unions. We feel this subjective portion of the regulation should be removed from the rule. Capital requirements should not be an area in which subjectivity is allowed, it should be based in fact and formula.

If elimination is not an option than clarification stating that an examiner may recommend to the Regional Director an adjustment to the capital requirement. After review, should the Regional Director concur, it should then be passed to the NCUA Board for final approval. However, in all cases, there should be an independent appeals process.

### **Regulation Parity with the FDIC**

Siskiyou Central Credit Union believes that risk-based capital is appropriate, but feels strongly that the requirements for credit unions should not be more restrictive or punitive than they are for the U.S. banks or any other financial institution in the world under the Basel III framework. The lack of regulatory parity with Basel III places credit unions at a competitive disadvantage and will only further to limit the impact credit unions can have in providing lending to their members and communities.

In summary, SCCU believes that this proposal is not ready for full consideration of the Board and therefore should be withdrawn for revisions and re-consideration.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk-based capital requirements.

Sincerely,

Becky L. Ives  
President/CEO  
Siskiyou Central CU

cc: CCUL