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May 12, 2014

Gerard Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 252314-3428

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

Dear Mr. Poliquin,

We are a credit union with over \$150 million in assets serving over two-thirds of north central and north east North Dakota. Our 5 branches serve a mainly agriculture based communities and nearly half of our loan portfolio is farm related and agriculture loans. In North Star Community Credit Union's 74 year existence, agricultural lending has been the backbone of the lending department. We're providing safe and affordable ag loans to a 4<sup>th</sup> generation of North Dakota farmers and ranchers.

As North Star Community Credit Union is evaluates ag borrowers, close attention is paid to the value of the security compared to the loan amount. As an example; often, land that is valued at \$300,000 may have a loan of \$100,000, which is a very good ratio, but this loan wouldn't be evaluated any differently than a loan that is taken out for the full \$300,000. No criteria is set within this proposed rule that would take into consideration that we have a well secured, loan with a loan to value ratio well within desired limits. As credit unions would be forced to deny ag producer and small commercial loans, this sends those members to our direct competition, area banks and Farm Credit Services.

We urge the NCUA to review the rules as proposed in the Risk-Based Capital Rule. Our livelihood is being threatened with this one-size-fits-all approach to member business lending.

Respectfully,

*Richard C. Schiller*  
VP Lending