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

MAY 16 '14 PM 2:23 BOARD

Re: Risk Based Capital Proposal

Dear Secretary Poliquin,

Wichita Falls Federal Credit Union writes in opposition to the proposed regulation concerning the Risk Based Capital Proposal.

From First Mortgages, to Member Business loans to Investments, why are credit union regulators requiring more capital than our banking competitor's regulators? As a credit union executive there is no way our member owners carry any higher risk than those banking at other financial institutions nor should they be penalized for doing business with a member-owned credit union. Should a credit union borrower be required to pay a higher capital tax, than a bank borrower? Requiring more capital for credit unions investing in low risk investments...why?

Reserve weightings—where is the benefit for weighting a credit union's investment in its member as though riskier than a commercial bank's loan to its customer? To require capital reserves in excess of our direct competitors is a competitive disadvantage. Reserve methodology should not disadvantage credit unions.

These capital taxes on credit union members are unreasonable and unfair. These additional capital requirements appear to be more punitive than functional. We believe that it is in the best interest of NCUA and Credit Unions and the Members for this proposed rule to be revamped to more reasonable levels.

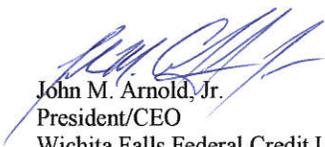
To quote from the Federal Register: "The proposed rule is intended to help credit unions better absorb losses and establish a safer, more resilient, and more stable credit union system. The improved resilience will enhance credit unions' ability to function during periods of financial stress and reduce risks to the NCUSIF."

The NCUA's justification for these rules is geared toward weathering bad times. This will limit a credit union's ability to prosper during the good times due to NCUA's competitive hindrances. This move will limit the growth of this industry and result in many small and medium size credit unions to merge with larger credit unions. There's no NCUSIF to protect if the credit union industry disappears for lack of competitive relevance.

Credit unions did not cause the financial crisis the nation has yet to recover from, yet we are regulated as though guilty. The remedies thus far on lenders fail to benefit consumers; regulators, though, have inversely thrived. The NCUA through this proposal does not provide an avenue for the industry to grow and prosper so we can serve members better.

I may be reached at 1-940-322-9328.

Cordially,


John M. Arnold, Jr.
President/CEO
Wichita Falls Federal Credit Union