



May 09, 2014

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

Re: Resource One Comments on Proposed Rule: PCA – Risk-Based Capital

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:

- 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.
- The proposed compliance date of 18 months is not sufficient time. Basel III allows banks 5 years to comply. Delay the enactment to December 31, 2017, allowing Credit unions 3 years to prepare and adjust their balance sheets effectively. This would also allow management to be better prepared for the potential proposal without making rash and ineffective decisions.
- 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 appreciate your willingness to allow me to express my comments on this impactful regulatory proposal. I respectfully encourage you to consider improvements to the proposed Risk-Based Capital Rule in accordance with my views included in this letter. Thank you again for the opportunity to voice my opinions and comments on the proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jennifer Grinder', is written over a horizontal line.

Jennifer Grinder
Chief Sales and Marketing Officer

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