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May 12, 2014

MAY19'14 PM 1:56 BOARD

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,

The headquarters office of NSCCU is located in central North Dakota in the city of Maddock with a local population of under 500. NSCCU was founded nearly 75 years ago by a group of men who saw a need in the community for a funding source for agricultural input costs. The credit union has continually grown to an asset size of over \$150 million with 9100 members, 5 branches and 45 employees. Now, 75 years later, if NCUA's proposed Risk-Based Capital Rule goes into effect, these same type of loans are going to be harshly judged as risky ventures. NSCCU's bottom line is dependent on its agriculture loan portfolio. We have diversified in the past quarter century, so that we are now just under 50% ag loans and with more branches in less rural areas, we're confident our credit union is on very solid ground. This ground looks shakier when the proposed rule is applied, unfairly judging all ag loans as risky. Merging with other ND credit unions looks less desirable as many of them too have serve a large agricultural sector.

We urge the NCUA to review the rules as proposed in the Risk-Based Capital Rule. The NCUA cannot take a one-size fits all approach and ignore relevant factors. Finalizing this proposed rule as written, will have a devastating effect on our credit union, members and entire communities.

Respectfully,

Don Olson, NSCCU Board Secretary.