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May 15, 2014

MAY19'14 PM 1:53 BOARD

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 a Board Member of the Resource One, this letter speaks to my perspectives in regards to the NCUA's proposal on PCA – Risk-Based Capital. Although it is admirable in principle, it likely will create adverse results. I completely support the idea for risk based capital for credit unions, however would like to voice my concern and offer the accompanying comments with the intent of possible improvements:

- NCUA needs to reexamine the deductions of the NCUSIF deposit from equity. The proposal indicates that the deposit is immaterial and ought to be expensed versus the current technique for capitalizing the deposit. It is more troublesome to demonstrate the asset has pending value when it conveys no worth inside the proposed calculation.
- Performing collateralized consumer loans ought to have a more level risk weight than unsecured consumer loans. Resource One's historical delinquency rate varies between secured and unsecured loans, which are 1.23% and 3.12% respectively.
- Due to the proposal, the call report turnaround time will be slower, more costly, and more complicated due to the amount of new information required. The additional data would increase the burden in completing the call report. Additional staff will be needed which will cost the CU additional money and decrease the time and resources that could be used to better serve its members. According to the Federal Register, page 11209, the "Estimated Burden per Respondent" is in excess of 200 hours annually.

Thank you for the opportunity to express my comments on this impactful regulatory proposal. I urge you to consider my comments to enhancement the proposed Risk-Based Capital Rule as per my comments included in this letter.

Sincerely,

Janey Appia
Board Member



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