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May 15, 2014

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

MAY19'14 PM 2:05 BOARD

RE: Risk Based-Capital Proposal

Dear Secretary Poliquin:

I am writing on behalf of Otis Federal Credit Union, which serves Franklin County and the surrounding communities. We have 10579 Members and \$135 million in assets. Otis Federal Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Our credit union does support NCUA implementing a more sophisticated risk-based capital framework, and we also support NCUA's proposed risk based capital regulation. We believe that credit unions with a concentration of assets in real estate loans and MBLs and that have a high level of delinquent loans should have higher minimum levels of risk-based capital.

It is our opinion that interest rate, credit, concentration and liquidity risks should be guarded against in the risk-based capital framework. Our credit union also feels that real estate and member business loans' weightings should not have different risk weights based on whether they are current or delinquent. We do have corporate perpetual capital, and we do not agree with the risk weighting of 200 percent for corporate perpetual capital because corporate credit union perpetual capital is not inherently risky. With regards to NCUA's proposal to assign a risk weighting of 150 percent for investments with a weighted-average life between 5-10 years, and 200 percent for those over 10 years, we agree with these proposed weightings. Finally, although we do not have CUSO investments, we do not agree with the risk weighting of 250 percent of the investments in CUSOs.

We also do not believe that any risk-based capital framework should include the ability for all credit unions, not just low-income, to have access to supplemental capital.

In closing, I would like to once again reiterate that Otis Federal Credit Union does support NCUA's proposed risk based capital regulation but opposes certain pieces of the proposed rule.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Sincerely,

A handwritten signature in cursive script that reads "Roland Poirier".

Roland Poirier
President/CEO