

From: [BONNIE TIMM](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 10:40:56 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of RiverWood-Maritime Credit Union, which serves anyone living or working in Manitowoc, Brown, Kewaunee, Sheboygan and Calumet counties. We have 4700 Members and over 33 million dollars in assets. R-MCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

How would your credit union be affected by the proposal?

As we grow, even to just over 50 million in assets we will be exposed to unreasonable risk weighting systems even though we are not a complicated credit union.

Do you agree this new proposal is necessary? We do not believe there is a need for this proposal currently, if you look at the history of events, our current system held up well throughout the worst economic disaster since the Great Depression. We were not the cause of the problem, and yet we get penalized!

Do you agree NCUA should be able to impose higher capital requirements on credit unions on a case by case basis? We do not believe that examiners should be given this power, as it would be detrimental to credit unions and the appeals process that may be in place may not be used by credit unions for fear of retribution the next time around. Many credit unions have experienced this in the past.

Do you agree with the risk weightings for:

- MBLs
- Mortgage Loans
- Longer-term investments
- Consumer loans
- CUSOs Investments and Loans
- Others (Please identify)

While risk weightings are necessary, they should bear a direct relationship to actual credit union losses over time. Our credit union may curtail our mortgage lending so as not to affect the risk weighting which would hurt our members ability to get loans from us in this area and that is what credit unions are about. We may be sending these same members to a higher rate loan somewhere else which would be detrimental to their financial future.

Do you agree with NCUA's implementation time line? The 18 months does not seem like a sufficient time frame, as we have seen in the past, the final rules are not interpreted completely for some time and then for the credit union to react, it would be impossible. We have witnessed many times, the final regs being changed many times for clarification and it takes time for all credit unions, but more especially smaller credit unions that the CEO wears many hats to get these in order.

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

Sincerely,

Bonnie L Timm
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