

**From:** [Jon Lowrey](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Prompt Corrective Action Risk-Based Capital Comment Letter  
**Date:** Saturday, May 24, 2014 12:00:50 PM

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Dear Secretary of the Board Poliquin,

I am writing on behalf of Dane County Credit Union, which serves anyone living or working in Dane, Columbia, Dodge, Green, Iowa, Jefferson, Rock and Sauk counties in Wisconsin. We have 14,000 members and 136,000,000 in assets. Dane County Credit Union (DCCU) appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

While we generally support risk-based capital requirements for credit unions, the present proposal layers a risk-based system, more stringent than the Basel system for small banks, on top of existing statutory standards. Credit unions could be forced to cut back on mortgages and business loans to raise their risk-based capital ratios, or raise loan rates and fees. They may also need to forego other services and reduce deposit interest rates to boost net income and raise capital.

Credit unions are already highly regulated and restricted, able to raise capital only through retained earnings. Credit unions are also typically more risk-averse than community banks. The NCUSIF has performed very well under current rules, suggesting that additional protections to the share insurance fund are not justified.

We would encourage and support the following changes:

- Tie any risk-based capital requirement to the adequately capitalized, as opposed to well capitalized, level;
- Improve risk weightings for mortgages, business loans, mortgage servicing, and long-term assets;
- Eliminate the provision allowing for additional case-by-case capital requirements; and
- Extend the transition period.

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

Sincerely,

Jon L Lowrey - CEO Dane County Credit Union  
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