



May 27, 2014

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

RE: Comments on Proposed Rule: PCA - Risk-Based Capital

Dear Gerald Poliquin,

Thank you for the opportunity to comment on the proposed Risk Based Capital (RBC) rule. I am writing on behalf of Valley First Credit Union, which is a community chartered credit union, serving 10 counties in the Central Valley of California; from Tulare County in the south to San Joaquin County to the north. We have 12 branches, \$525 million in assets and serve over 62,000 members.

Over the years there have been many discussions regarding implementing a RBC structure, but it was originally intended to reduce capital requirements for those credit unions that were not taking excessive risk, not increase capital requirement for an institution that is doing mortgage lending or member business loans (risk investments?). It is felt that this is another case of excessive regulation; that we are taking such excessive steps to protect the insurance fund from any risk, that we are choking credit unions' ability to operate.

I believe that NCUA should abandon the proposal for this overbearing risk based capital proposal. Valley First Credit Union does not agree with the risk weightings placed on MBLs, Mortgage Loans, Long-Term Investments, Consumer Loans, and CUSO Investments and Loans.

In summary, let credit unions manage their portfolios using all the tools at their disposal and as are currently being regulated to adhere to, don't add on even more requirements for credit unions to monitor and be regulated to adhere to. We agree that each credit union should maintain adequate net worth to support its strategy risks, as to not impose a threat to the share insurance fund. This proposal does not properly provide for reserving for this risk. We recommend that the NCUA Board abandon the entire proposal and that the current risk-based net worth requirement structure remain in place.

Again, thank you for the opportunity to provide feedback on this proposed rule.


Hank Barrett
President / CEO

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valleyfirstcu.org

Branch Locations

Ceres
1501 Mitchell Road
Ceres CA

Dale Road
3401 Dale Road
Modesto CA

East Shaw
618 East Shaw Ave
Fresno CA

J Street
1419 J Street
Modesto CA

Madera
126 North D Street
Madera CA

Oakdale
126 West F Street
Oakdale CA

Stockton
1611 West March Lane
Stockton CA

Tracy
951 Central Avenue
Tracy CA

Turlock
2655 Geer Road
Turlock CA