



"Your Money, Your Future, Your Choice"

101 W. Elmer Road
Vineland, NJ 08360
www.bayatlanticfcu.org
856-696-2525
Toll Free: 877-590-8866
Fax: 856-691-5593

May 27, 2014

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

Via e-mail: regcomments@ncua.gov

RE: Comments on Proposed Rule: Prompt Corrective Action – Risk-Based Capital.

Dear Mr. Poliquin:

Bay Atlantic 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. Bay Atlantic is a \$53 million, well capitalized, low-income designated credit union with over 8,000 members. We serve the employees, and their families, of more than 170 small businesses based in Vineland, Cumberland County, New Jersey. Cumberland County is historically one of the poorest counties in the state of New Jersey for which recovery from recent recession is painfully slow. Many of our members are struggling to regain financial stability in a stagnant economy.

Bay Atlantic will fall from well capitalized in the current system to adequately capitalized in the proposed system. Unlike banks, credit unions do not have the ability to raise capital except through earnings. To regain well capitalized status, Bay Atlantic's options would be to raise member fees, increase loan rates, avoid or reduce asset growth, and/or drop dividend rates. None of these actions will benefit our members or contribute to the long-term health of the credit union.

While we agree with the concept of risk based capital requirements for credit unions, we are very concerned that this regulation as proposed may hinder our ability to adequately meet the financial needs of our members. We ask that risk weightings and the two tiered capital requirements be reconsidered.

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

Sincerely,


Ava Wargo
CFO