



BRANCH 6000 NALC CREDIT UNION

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

Dear Mr. Poliquin,

As the Manager of Branch 6000 NALC Credit Union, I am writing this letter in opposition to NCUA's risk-based capital proposal. As CUNA recently pointed out, even smaller credit unions are concerned with this proposed new risk-based capital framework.

NCUA plans to double the size of corporate perpetual capital for capital purposes. If my credit union had to comply with NCUA's plan, our 4,678 worth of capital would be doubled, distorting the size of our assets and driving down our capital ratio. There is no proof that corporate investments are one of the riskiest investments a credit union can make. Corporate capital is held in conformity with rules and regulation NCUA designed to make sure the corporates were recapitalized safely following the corporate meltdown.

I agree with NCUA that the current risk based net worth requirements imposed on larger credit unions could be improved. Credit, liquidation and concentration risks are all legitimate concerns that the system should guard against. But NCUA goes beyond what is necessary. First the agency has not shown why any reforms are even needed at this time, when credit unions are already trying to comply with a flood of new regulations. In addition, many of the risk weightings, especially those for longer-term investments, exaggerate the riskiness of assets held by credit unions. Even though my credit union is well under the compliance thresholds, NCUA's weightings will impact Branch 6000's investment decisions.

I also. Believe that more credit unions than just those designated as Low Income credit unions should have the option of accepting supplemental capital. I understand that only Congress can make this change but it would be helpful if NCUA worked with credit unions to pass legislation in this area.

I hope these comments will be of assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Smith", written in a cursive style.

Roger Smith