



May 25, 2014

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

Dear Mr. Poliquin:

I am writing on behalf of PepsiCo Employees Federal Credit Union, a \$49 million asset credit union serving more than 3700 members in Westchester County, New York. PepsiCo Employees FCU appreciates the opportunity to provide our comments to the National Credit Union Administration (NCUA) on the proposed rule regarding Prompt Corrective Action, Risk Based Net Worth.

PepsiCo Employees Federal Credit Union does not believe the Agency has justified the need for a proposed change to the PCA requirements at this time considering that during the two recent economic crises the National Credit Union Share Insurance Fund (NCUSIF) performed very well under the current PCA regulations.

If the Agency does intend to proceed with a restructured risk based capital rule the Agency should consider that more credit unions would be impacted by this rule than it suspects. Our credit union is in an asset position that where this rule would not currently impact us but we are close enough to the \$50 million asset threshold that it will require us to take a close look as to what our risk-based capital position would be and how that will impact our plan for serving our members as we move forward. We also believe that the Agency should reconsider its asset threshold for consideration as to when a credit union is "complex." One of the Agency's reasons for proposing this rule is to protect the National Credit Union Share Insurance Fund (NCUSIF) and we recommend the Agency consider whether an increase to the asset size threshold is warranted to define "complex" credit unions.

Finally, the proposal's risk weightings for corporate credit union perpetual capital and investments of 5-10 and over 10 years in maturity assume, incorrectly, that they are inherently

more risky. We recommend the Agency review the risk-weights assigned to these categories and determine if the risk-weighting is supported by the actual risk of these assets.

In conclusion, PepsiCo Employees Federal Credit Union believes that the current PCA structure is sufficient to mitigate the risk to the NCUSIF. If a revised risk based capital framework is going to be implemented, we ask the NCUA to reconsider its approach and revise the proposal, taking into account the concerns expressed above.

Thank you again for the opportunity to comment on the proposed rule.

Sincerely,

A handwritten signature in black ink that reads "Judy Germano". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Judy Germano

Manager

PepsiCo Employees FCU