



May 28, 2014

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

Dear Mr. Poliquin,

FD Community Federal Credit Union welcomes the opportunity to comment on the proposed Risk Based Capital (RBC) rule. FD Community is a federally chartered credit union located in Waterbury, CT. We have approximately 8,700 members, \$65 million in total assets and are well capitalized at 9.15% as of March 31, 2014. Each year we set a goal for net worth to allow us to maximize value to our members. The goal we set allows us to provide the best possible loan and deposit rates, grow the balance sheet and expand services. The goal is not set with the sole purpose of growing capital for growth's sake.

Although we understand the motivation for drafting the rule, we believe that the rule as proposed penalizes credit unions and do not believe RBC should trigger prompt corrective action by the agency. The proposed rule stipulates credit unions must carry greater capital levels than required of banks by the Fed or Basel III for certain asset classes. These proposed risk weights will place credit unions in an uncompetitive position versus banks with excessive weighting assigned to real estate backed loans and agency investments. It is very possible the higher risk weights will force us from offering profitable loan products to our members and instead directing those funds into bank cd's at a much lower rate. The result will be twofold in not serving our members' needs and slower growth of capital as a result of reduced earnings.

The proposed risk weights make no sense when compared to what our brethren in the banking industry are subject to. Despite the indiscretions of banks being the primary cause of plunging the economy into the "Great Recession", bank regulators are not placing additional capital requirements on banks beyond what is required by the Fed and Basel III.

The agency should continue to focus on a risk based approach in its examination of individual credit unions. Applying a cookie cutter approach to regulation of credit unions is not the answer. If the NCUA desires to demonstrate it can regulate the credit unions it oversees, it should be done through the examination process and not through an arbitrary calculation that is not supported by empirical data.

Main Office: 601 Watertown Avenue, Waterbury, CT 06708 | Phone (203) 753-9201 | Fax (203) 756-6886

Meriden Road Office: 281 Meriden Road, Waterbury, CT 06705 | Phone (203) 346-6185 | Fax (203) 346-6187

Branch Location: 236 Grand Street, Waterbury, CT 06702 | Phone (203) 574-6767

www.fdcommunityfcu.org

FD Community Federal Credit Union is opposed to the adoption of this rule for many of the same reasons detailed in the hundreds of comment letters already posted to the NCUA website. We also concur with the conclusion cited by many of the comment letters that existing federal law should not be rewritten without Congressional consent.

Sincerely,

A handwritten signature in black ink that reads "Michael C. Kinne". The signature is written in a cursive style with a large, stylized initial "M".

Michael C. Kinne
President