

BORDER FEDERAL CREDIT UNION



[www.borderfcu.com](http://www.borderfcu.com)

May 28, 2014

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

Sent via E-mail to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: Border Federal Credit Union's Comments on Proposed Rule: PCA – Risk-Based Capital

Dear Mr. Poliquin:

On behalf of our 23,500 members and our staff at Border Federal Credit Union (BFCU), I thank you for allowing us the opportunity to provide comments on the National Credit Union Administration's (NCUA) proposed rule, Prompt Corrective Action – Risk-Based Capital.

Although the proposed rule would have little impact on BFCU in the near future, we have serious concerns about the potential negative impact of the proposed rule in its current form and how it may shift the importance of serving our underserved communities into focusing on making sure that there's sufficient capital accumulation and that risk is minimized.

BFCU serves 13 counties in West Texas. Of these 13 counties 11 are classified as underserved/low-income areas. We have low-income and Community Development Financial Institution (CDFI) designations. Our membership is predominantly of Hispanic descent and we are also very proud to provide services to military personnel and civilians that work out of Laughlin Air Force Base. We just had our 60<sup>th</sup> anniversary of successfully providing much needed low-cost services to our community. Even in light of the recent financial crisis, BFCU was able to maintain more than adequate capital levels based on the current statutory standards; and therefore, we feel that there is absolutely no logical reason to require the proposed higher capital amounts. We also see risk as being something very important as we run our daily operations and service our members, but we know that risk has to be managed and not avoided. Capital accumulation will ultimately be the end result as we serve our members.

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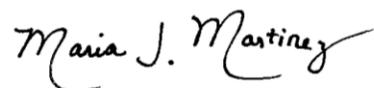
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I'm concerned that the proposal as it exists with all its restrictions may limit growth and diminish the quality of service to our members due to capital restraints, growth that would have been well managed and monitored, but is now limited due to a risk-weight that ignores asset quality.

I value the work that NCUA does for our credit union industry and I thank you for the opportunity to comment on this proposed regulation and for considering our views.

Respectfully,



Maria J. Martinez  
President/CEO

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