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May 28, 2014

Gerard Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428  
Email: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

RE: Risk-Based Capital (RBC) Proposal

Dear Mr. Poliquin,

Aberdeen Federal Credit Union (FCU) appreciates the opportunity to provide comment to the National Credit Union Administration (NCUA) with regard to the Risk-Based Capital (RBC) Proposal. To provide a brief background, Aberdeen Federal Credit Union is a rural credit union located in Brown County, South Dakota with assets of \$114 million serving 10,657 members. Our membership is a mix of rural agricultural workers along with federal, state, and local employees. We have a long established history of serving our membership in a safe and sound manner.

We realize that the calculations produced using the RBC proposal calculator show minimal effect on Aberdeen FCU today. We are most concerned with the future effects it will have on our ability to continue our history of service. The proposed rule will have devastating effects on our credit union and our members, especially the level of risk-weights for certain categories that are being proposed by the NCUA. The proposed risk-weights will impede Aberdeen FCU's future growth and sustainability. This will leave our credit union at a competitive disadvantage to other financial institutions in our area.

Aberdeen FCU is concerned with the NCUA's proposed rule to amend regulations regarding prompt corrective action, and specifically, the revisions relating to replacing the current risk-based net worth requirements with risk-based capital requirements.

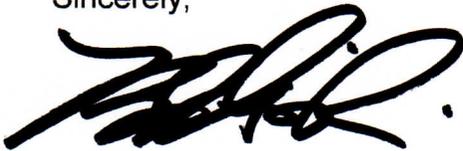
We are opposed to the 100 percent risk-weight for total outstanding principal amount of loans to credit union service organizations (CUSO) and proposed 250 percent risk-weight for total value of investment in CUSOs. It is our mission statement "To Provide Pathways for Members to Achieve Financial Success" and we believe that our participation in CUSOs is a tool for us to create pathways and is in our cooperative

nature being a credit union. NCUA should not punish credit unions for investing in the credit union industry.

Aberdeen FCU is concerned that the RBC proposal will inhibit the future of member business lending (MBL) in South Dakota. The proposed rule improperly treats all MBLs the same, grouping agricultural loans with more risky speculative-construction loans. Currently, we provide a small portfolio of MBL loans to our membership but we see this growing in the future as more of our members need low-risk MBL loans. We would hate ceasing a new agricultural lending program before it could begin due to the regulatory burden.

Thank you for the opportunity to share our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Goscicki', with a stylized flourish at the end.

Robert J. Goscicki  
President/CEO  
Aberdeen Federal Credit Union  
Charter #274

cc: Board of Directors – Aberdeen FCU