

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

I am writing on behalf of APCO Employees Credit Union located in Birmingham, Alabama. The Credit Union serves employees and families of Alabama Power Company, Southern Company and several other select employee groups. The Credit Union has over 70,000 members and \$2.582 Billion in assets. The Credit Union appreciates the opportunity to comment on NCUA's proposed Risk-Based Capital Rule.

NCUA has not adequately justified the necessity of a new capital rule and capital requirements. Credit Unions were not the cause of the economic problems of the last decade and even grew stronger through the financial crisis. Natural-person credit unions funded the corporate credit union stabilization through assessments of millions of dollars that could have been capitalized and yet still have continued to provide exceptional member value while maintaining more than adequate capital.

NCUA has also not addressed the legality of this proposed rule. Even if NCUA has the legal authority to impose this new regulation on credit unions, having a two-tiered system for credit unions over and under a certain asset level is not the equitable approach.

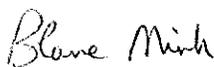
Risk weights in this proposal are too high on loans. Credit Unions are designed to provide credit to members. This proposal requires extremely high capital requirements on those institutions that are providing the service that they were created to do.

As with any new regulation, there are always unintended consequences. The consequences of this proposal certainly could be to restrict lending to members, cause credit unions to raise fees on members and reduce dividends to members – all decreasing the value each member receives. This proposal could force credit unions into a different business model entirely.

Thank you for allowing comments on this proposal and considering our views.

Sincerely,

APCO Employees Credit Union


Blane Mink

Vice-President/Chief Financial Officer