

**From:** [Tom Boos](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Prompt Corrective Action ??? Risk-Based Capital Comment Letter  
**Date:** Friday, February 21, 2014 10:50:12 AM

---

Dear Secretary of the Board Poliquin,

I am writing on behalf of Billings Federal Credit Union, which serves the communities in Yellowstone, Big Horn and Carbon Counties in south central Montana. We have 8,900 Members and \$107 million in assets. On behalf of Billings FCU, I appreciate the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

While I agree there is value in adopting a risk-based approach to the amount of capital held at federally insured institutions, and the proposed rule would have little short-term impact to Billings FCU, I do have concerns with respect to the proposed rule.

Specifically, I am concerned many of the proposed risk-weightings vary substantially from the Basel III rules imposed upon community banks, with whom we directly compete in our market. I am especially concerned the risk-weightings for mortgage loans and member business loans appear punitive vis-a-vis the standards applied to our community bank competition. Based on my analysis, the risk-weightings for these assets appear to be structured to discourage for Credit Unions to engage in these forms of lending. In the complex and competitive landscape of the financial services industry, it is important for federally insured Credit Unions to venture beyond the relative safety of consumer loans. With the standards as proposed, I fear the NCUA is implicitly attempting to direct Credit Unions efforts toward a focus solely on consumer lending by adopting punitive weights on other lending categories.

For Credit Unions to remain a viable alternative to the for-profit banks, I believe it both necessary and appropriate for the proposed risk-weighting to more closely mirror those which apply to our competitors.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Regards,

Sincerely,

Tom Boos, President/CE), Billings FCU  
3604 Hayden Dr  
Billings, MT 59102