



Greenville
Federal
Credit Union

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March 18, 2014

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

Dear Secretary Poliquin:

Greenville Federal Credit Union, Charter # 19116, writes in opposition to the proposed regulation concerning Risk Based Capital.

What is the rationale for the NCUA to impose higher capital standards on credit unions than are imposed on banks? Will higher capital standard just serve to increase the cost on our members for their financial services while providing no additional improvement to safety and soundness? For those credit unions that are unable to shoulder the additional capital requirements to offer a greater concentration of mortgage loans, where will those credit union members turn? I think the answer is that they will turn to banks and alternative finance companies for their mortgages. Is this what the Agency wants?

In the interest of fairness, the risk based requirements should not exceed the requirements imposed on our competitors by their regulators.

I am also troubled by the granting of "additional authority" to the NCUA to impose even higher capital requirements than imposed by the proposed new regulation. The absolute subjective nature of this component is unnecessary and the need for this can be eliminated by writing a regulation that spells out the requirements and the remedies available in total.

Credit Unions emerged from the financial crisis stronger than ever. Even though credit unions were not the cause of the crisis, the cure proposed by the NCUA seems to make the patient sicker than the disease.

Please amend this proposed regulation to make it on par with our financial competitors and to eliminate the subjective power afforded to the NCUA.

Paul Hughes, President/CEO
Greenville Federal Credit Union