

March 21, 2014

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

Dear Secretary Poliquin:

As the VP of Business Services at Greenville Federal Credit Union, Charter # 19116, I am writing in opposition to the proposed regulation concerning Risk Based Capital.

Having seventeen years of experience in the financial services industry, I view the proposed risk based capital initiative with wonderment and great concern. While I agree that it is imperative to manage risk, I also feel it must be done in a measured way that will truly offer meaningful protections. Unfortunately, I am seeing a well-intentioned idea whose unintended consequences were not well thought out.

This new risk based capital initiative undermines nearly a hundred years of the credit union's mission and history. It forgets why we come to work every day. In the end, it hurts the very people we are trying to serve. So my question is why?

Do we have a systemic asset problem that needs to be addressed? No! Delinquencies, past dues, and charge offs for credit unions have historically been much lower than our banking counter parts. The conservative lending nature of credit unions would indicate that the future would be no different. Credit Unions did not cause the financial disaster of the last six years. Why would a remedy, even if unnecessary, be more stringent than banks?

The worst part is the impact it will have on our members. The heart and soul of the credit union is to allow everyday people to belong to an institution that provides critical financial services at reasonable prices that helps them achieve their goals and dreams in life. It also allows these same people to actually have a voice in its operations. Under this new risk based capital requirement, costs across the board will rise on products and services, money to fund our members' financial needs will be restricted, access and innovation will be limited, and more credit unions will eventually close.

Not only is the NCUA trying to solve a problem that does not exist, it is actually creating more problems than before. An entity that makes up these types of regulations is one that does not need more authority to arbitrarily impose their will on the member owned credit unions. We really need a partner, not a ruler, to help make credit unions stronger so that future generations will have the same opportunities and financial options we enjoy today.

I would respectfully ask that the NCUA amend this proposed regulation with less oppressive language and less subjective power for the NCUA. Certainly, we can manage risk without sacrificing our soul as a credit union.

Sincerely,
Mike Morris
Greenville Federal Credit Union

