

Services Center Federal Credit Union

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David J. Wright, CEO

March 23rd, 2014

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

Dear Mr. Poliquin

The following are comments in regards to the proposed regulation on Risk Based Assets.

Services Center Federal Credit Union (SCFCU) is a Federal Credit Union serving 6,400 people of 6 counties, four in South Dakota and two in Nebraska.

SCFCU is a \$50,000,000 asset credit union. As such, it would be impossible for us to deliver state-of-the-art financial services to our members without collaboration by our Credit Union in the Credit Union Services Organizations (CUSOs) that we have invested in.

One of those CUSOs is CU*Answers. Our initial investment in CU*Answer was \$35,200.00. And while the Credit Union continues to carry this investment on our books at the original investment amount it is worth over \$75,000.00 today. And annually, when we are paid a dividend on our stock, the dividend is calculated on the current value, not the original investment amount. Thus a 4% dividend figures out to be a return of over 8.5% on our original investment. Not a bad return in today's low rate economy.

Even though it is not in any written documentation that I can find, I have been given to understand that the final regulation would multiply not only the original investment but the current value as well for a determination of the risk based net worth. This penalty simply defies imagination.

I do fully understand that there have been CUSOs that have not had the stellar results that I have quoted above. It is for this reason that I strongly urge you not to adopt a "one size fits all" regulation.