

From: [Wilkinson, Mark W.](#)
To: [Regulatory Comments](#)
Subject: Comment on NCUA's proposed Risk-Based Capital Rule
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Gerard Poliquin, Secretary of the Board
National Credit Union Administration

I am a member of the Board of Directors at the APCO Employees Credit Union, Birmingham, Alabama, which serves its over 69,000 members from many select employee groups. It is a pleasure to work in the Credit Union cooperative movement. We as a board try to do what is best for all our members. We feel the NCUA's proposed Risk-Based Capital Rule will harm that effort.

Our Credit Union has over \$2.4 billion in assets. Our Balance Sheet is heavy with liquid assets. We have been balancing the needs of the borrower with those of the saver. In today's economy the saver is being left out. With the Fed's overnight interest rate at 0 to .25% we are unable to make the money for our members like we did. Already the regulators are telling us that we are paying too much in the way of dividends. We are told we shouldn't try to make money by investing in longer term government agency securities because they are too risky. We will not raise income by gouging our members through fees like the banks have done.

We faithfully run the credit union weighing the risks of our investments with the yields. As a board we feel like we are in the best position to assess the risk; not the regulators. We feel that we are already operating under a risk-based capital program. We have had to adjust our dividend payout due to our lack of income, yet we pay above market rates, remain profitable and contribute toward a reasonable capital target.

We do not feel that the NCUA's proposed Risk-Based Capital Rule is in the best interest of the credit union movement. Provisions in the rule are arbitrary and confusing. Guidelines for regulators should not be left up to the regulators discretion. Management and boards at most of the credit unions have served their members well. The regulators usually try to fit a banking model to all the credit unions. We do not want to be a BANK.

Determining the amount of capital a credit union should maintain should not be left up to the regulator. This may be the most troubling aspect of the proposal.

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

Signed,
Mark Wilkinson
Director