

From: [Wendell Pate](#)
To: [Regulatory Comments](#)
Subject: Risk Based Capital Proposal
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Gerard Poliquin, Secretary of the Board
National Credit Union Administration

I appreciate the opportunity to comment on NCUA's proposed Risk-Based Capital Rule.

I'm a member of the APCO Employees Credit Union, Birmingham, Alabama, Which Serves employees and families of Alabama Power Company, Southern Company, and several other SEG's. Our Credit Union has 69,000 members and \$2.435 billion in assets.

A risk-based capital requirement is necessary; however, this proposal misses the mark for several reasons. The risk-weight percentages are arbitrary and confusing. Risk weighting for loans are structured solely for credit risk issues and risk weighting for investments are structured only for interest rate risk possibilities.

The most troubling aspect of the proposal is the examiner's discretion to subjectively determine an individual credit union as being "too risky" and requiring additional capital.

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

Wendell W. Pate