

From: [Bothwell HECredit Union](#)
To: [Regulatory Comments](#)
Subject: Risk Based Capital
Date: Thursday, April 03, 2014 12:21:16 PM

Dear Secretary Poliquin,

I would like to ask the Board to consider the fact that raising the Capital Reserves requirements from 7% to 10.5% is a huge leap for a single adjustment. To increase the rate by 50% in one single move seems a bit unfair to those credit unions who not at or even close to such a requirement.

Our SEG based, credit union has only \$2.3 million in assets and we are not the only ones who would have their business adversely affected by such a sudden change. It would likely cause many credit unions to fall under stricter observance by examiners as well. This would **increase the costs** to the NCUA, too.

For the past few years we have paid out thousands of dollars to Stabilization, **money that would have gone towards raising our reserves.** Now we are going to be asked to **raise our reserves?**

I can understand that the recent financial debacle has made everyone concerned for safety. NCUA has replenished its' funds. We have been punished enough for the lack of regulations on derivatives, the real cause of the problem. First the increase in new regulations and maintaining compliance increased everyone's costs, but put a tighter squeeze on small one and two employee credit unions. This could lead to more consolidation and the disappearance of the grass roots "little guy" credit unions.

If a raise must be, then please consider a gradual increase **over several years.**

Respectfully submitted,

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