

**From:** [Virginia Goodson](#)  
**To:** [Regulatory Comments](#)  
**Subject:** People's Trust FCU's Comments on Proposed Rule Regarding Risk Based Capital  
**Date:** Friday, April 11, 2014 8:36:42 AM

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I am writing on behalf of People's Trust Federal Credit Union, which serves people who live, work or worship in the city of Houston, Texas. We have 25,842 members and \$484 million in assets. People's Trust Federal Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk-Based Capital.

We question the need for this regulation, especially since the financial crisis which undoubtedly spurred this proposal has now passed. This proposal will limit the credit union industry's ability to prosper by hampering income generation and constraining growth, at a time when our industry is facing unprecedented regulatory burden from the CFPB's overreach and from new GAAP rules that could require significant adjustment to ALLL accounts.

We also believe the risk rating for many of the specific asset categories needs adjustment. For instance, why are short term mortgage loans (those that re-price in less than five years) excluded from the calculation, but short term investments (those with WAL 1 to 3 years) receive a 50% weight?

Credit unions do not have access to supplemental forms of capital, so raising more capital through income generation is particularly challenging. An inherent danger to this proposal is that credit unions will realign their balance sheets by reducing "risky" assets and thus limit credit availability. Additionally, the eighteen month implementation timeframe is not long enough to allow credit unions to be in compliance, especially in the absence of the ability to raise supplemental forms of capital other than income generation.

Sincerely,

**Virginia Goodson**

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Peoples Trust Federal Credit Union respects your right to confidentiality and works hard to protect your privacy. Please do not send your member number, tax identification number or other confidential information via e-mail correspondence. Please call us at 1-800-321-2411 or 713-428-3200 for any

questions you may have. Our hours are Monday through Friday, 7:15 a.m. to 6:00 p.m. CST and Saturday, 9:00 a.m. to 1:00 p.m. CST.

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