

From: [Lois Proffli](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Monday, April 14, 2014 12:01:38 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of First Eagle FCU, which serves Zurich American and American General Insurance Companies. We have 10,200 Members and \$90 million in assets. First Eagle FCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

On the surface, it doesn't appear that my credit union would be impacted by this proposal. However, from what I understand, NCUA examiners will have a lot of leeway in how they interpret our balance sheet and its risks.

I do not believe this proposal is necessary. Credit unions were not the problem in the recent economic meltdown, in fact, they were the solution, as credit unions did not miss a beat in service to our members. While banks were in a panic over losses from their unbalanced portfolios and poorly underwritten mortgages, credit unions simply continued doing what they do best, serving our members. Credit unions did not receive taxpayer bailouts like the banks.

NCUA should not be able to impose higher capital requirements on credit unions on a case by case basis. This would allow too many variables, too much power for an examiner who may have his/her own agenda, and thoroughly hinder our ability to manage our credit unions.

Credit unions already have restrictions that are not imposed on banks such as fewer options on investing excess funds and a limit on member business lending. Credit unions are strictly member-oriented, we do not answer to stockholders and our board of directors are volunteers. Profits are our only means of building capital. If NCUA examiners can arbitrarily change our capital requirements, we're going to see many more credit unions in PCA that shouldn't be there.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Sincerely,

Respectfully yours,
1147 Engleberth Rd
Essex, MD 21221