

From: [Doug Wadsworth](#)
To: [Regulatory Comments](#)
Cc: [doug_work_wadsworth](#)
Subject: Comment on NCUA Reg for Risk Based Capital
Date: Thursday, April 17, 2014 6:09:26 PM

To: NCUA
From: Doug Wadsworth, CEO
Re: Comment on Risk Based Capital Proposed Regulation
Date: 4/17/14

To Whom It May Concern,

I am the CEO of Tri-Cities Community Federal Credit Union, in Kennewick, Washington. We are below \$50 Million, and although I recognize that we are exempt from these proposed regulations (on account of our asset size) I also expect that we will be held to the same standards by our regulators, if not now, then eventually.

I am concerned that the proposed risk based standards are a "one size fits all" regulation which does not reflect my Credit Union asset risk, and which would have a negative impact on my Credit Union and members.

This is why I am concerned about this proposed regulation: 40% of my loan portfolio is mortgages, which means (under the proposed regulation) that those mortgage assets would be risk weighted more heavily, and would require a higher Net Worth Ratio. However, my mortgages are nearly all short term 10-year mortgages, which are extremely low risk. These are A+ credit borrowers, with equity better than 70%, extremely low Debt to Income Ratios, etc. My mortgages are virtually as safe as "share secured" loans, but per this regulation they would be judged high risk, and would significantly increase my capital requirements, at the expense of my members.

I would prefer that my NCUA examiners would be able to actually look at my loan portfolio and make a judgement decision on how risky/ it is based on actual facts, rather than be forced into a "one size fits all" regulation which does not come close to reflecting the reality of my portolio. I would gladly report additional loan information to the NCUA in my 5300 report, rather than be subject to these harsh new standards. I have talked to several other Credit Union CEOs who share the same opinion.

Thank you for your consideration.

Doug Wadsworth
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Sent from my iPad