

From: [Janis Walton](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Friday, April 18, 2014 11:41:37 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Integrity Federal Credit Union which serves Summit County in Barberton, Ohio]. We have 5,259 Members and \$40 million in assets. Integrity 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.

How would your credit union be affected by the proposal?

This proposal would hinder us from meeting the needs of our member base because of the weights placed on our risk based capital. Your proposal gives us an implementation date of Oct. 2014 yet the Federal Government has issued an implementation date for all financial institutions of 2019. WHY THE DIFFERENCE? CU are being given by your said proposal a benchmark of \$50M when the other financials are given a benchmark of \$250M. WHY THE DIFFERENCE? By this proposal you are causing undue strain on the CUs.

Do you agree this new proposal is necessary?

No I DO NOT agree! Credit Unions as a whole have NOT been part of this financial crisis. It was the commercial banks. I feel that you are penalizing the CU who do not seek profit but have labored to meet the needs of the members who came together to help each other to have a another financial option in order to succeed and better our families.

Do you agree NCUA should be able to impose higher capital requirements on credit unions on a case by case basis?

Yes if that CU is failing to be conservative and taking undue risk, of course. But why penalize the good ones?

I stated up above that I feel this proposal is OVERBOARD AND OVERSTRETCHING. I feel we fail to forget that the CU came into existence because of the members....NCUA came into existence because of the CU as an oversight committee. When 1 puts undue pressure on the other you maybe putting yourself out of existence.

Do you agree with the risk weightings for:

These weights are going to cause our net worth to decline forcing CU below the cap to be adequately capitalized. We are not able to raise capital in the secondary market and this only reduces our ability to meet members needs.

- MBLs No I DO NOT.
- Mortgage Loans No I do not.
- Longer-term investments No I do not
- Consumer loans Not I do not
- CUSOs Investments and Loans No I do Not
- Others (Please identify)

Should the NCSUIF deposit be excluded from the calculation of RBC ratios?
Now that I cannot answer intelligently.

Should goodwill be excluded from the calculation of the RBC numerator?

Now that I cannot answer intelligently.

Do you agree NCUA should be able to restrict dividend payments as the proposal would provide?

Do you agree with NCUA's implementation time line? If not, how much more time should credit unions be provided? No I do not agree. I think it is unreasonable. Why should we be a shorter implementation date than the federal gov has issued? This makes NO sense.

Do you have other concerns with the proposal? Please explain.

I feel though you have good intensions to avoid another collapse in the financial system. Your means are flawed in the process. What you think sounds good on paper is bad in real operations. Why use risk weights when we didn't behave in a risky manner.

Summary of your position:

In summary this proposal gives us stronger incentives TO STOP DOING WHAT WE HAVE BEEN DOING FOR OUR MEMBERS! That's why we came into existence was to HELP OUR MEMBERS...NOT HINDER THEIR ABILITY TO PROSPER IN THIS WONDERFUL COUNTRY!

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

Sincerely,

Janis Walton Internal Audit
107 28th St NW
Barberton, OH 44203