



April 17, 2014

Mr. Gerald Poliquin,
Secretary of the Board
National Credit Union Administration
Via Email to regcomments@ncua.gov

Re: Prompt Corrective Action; Risk-Based Capital

Dear Mr. Poliquin:

The intent of this letter is to express the views held by UARK Federal Credit Union regarding the proposed regulation to adopt a risk-based capital requirement for credit unions with assets over \$50 million. UARK Federal Credit Union's asset size is currently \$47 million.

UARK Federal Credit Union opposes the regulation, as proposed, because it appears the new risk weights would not accurately reflect the actual risks held on the Credit Union's books. The proposed regulation could change the Credit Union's PCA without reasonable justification. For example, all CUSO investments would be treated the same without regard to the type of CUSO or the CUSO's performance. As an investor in a successful indirect vehicle lending CUSO, this is a concern to us. Also, it seems the proposed regulation will discourage Credit Unions from making long-term investments and loans (i.e. mortgages). While Credit Unions should carefully monitor concentration risk and interest rate risk for long-term assets, this could result in a disservice to Credit Union members.

Thank you for the opportunity to comment on the NCUA's proposed regulation for Risk-Based Capital!

Sincerely,

A handwritten signature in cursive script that reads "Gina N. Williams".

Gina N. Williams
President and CEO
UARK Federal Credit Union