LIBERTY FIRST CREDIT UNION www.libertyfirstcu.com

April 24, 2014

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Nation Credit Union Administration; Prompt Corrective Action – Risk Based Capital; 12 CFR Parts 700, 701, 702, 703, 713, 723, and 747; Federal Register Volume 79 Number 39, February 27, 2014.

Dear Mr. Poliquin:

Recently the NCUA proposed and asked for comments on their PCA Risk Based Capital proposed regulation. This letter is in response to your request for comment on this proposal. As currently proposed, this rule would severely limit the ability of Credit Unions to meet the growing needs of our members. Credit Unions have served their membership in the United States for over 100 years. We have done this by creating a community of lending and investing for our membership. We are member based and member owned. While standards are needed to ensure the safety of the industry as a whole, imposing these types of rules will not help the industry continue to serve membership.

This proposed rule would hold Credit Unions to different standard than banks. As an organization we already hold ourselves to a higher standard, but imposing regulations that would inhibit our ability to compete with banks is not the answer.

First and foremost, Liberty First is concerned about the examination becoming more subjective. No matter how impartial any examiner may be, consistency in examination processes and procedures will almost certainly ensure that each and every credit union would not be judged and gauged consistently. A Credit Union with a growth strategy may be performing within the guidelines and performance metrics laid out through the most thoughtful planning process and may have to alter their strategy and direction on the whim of an inexperienced examiner. For example, if an examiner determined that Liberty First's loan portfolio growth was outpacing our capital growth the capital requirements could be changed. How can we plan our growth, when an examiner can come in and alter the rules? Second, we are concerned about the ability to offer services through starting or partnering with a CUSO. CUSO's allow Liberty First to offer services that our members want and need. By making investments in CUSO's a detriment to our numbers, we will have to reexamine and possibly eliminate services our members want. Liberty First is currently looking into different CUSO investments that we know our members want.

This would change that and possibly eliminate those services. Third, the changes necessary for the completion of the Call Report are long and cumbersome. Requiring even more information than what is required now will take more time and resources away from our members. Finally, much of the proposal will be generally harmful to the industry as a whole. Many current "well capitalized" Credit Unions will almost instantly be under-capitalized. Hundreds more that are currently exempt because of their asset size will be subject to the proposal over the next few years. Ironically, it's likely they will be negatively impacted by the positive growth that positioned them (through increased assets) to be subject to the proposal. On top of the proposal's criteria, there is a short window of time allotted for compliance. Eighteen months is simply not enough time to make the types of changes to a business model necessary to succeed under the new requirements.

Liberty First Credit Union and other Credit Unions are working daily to provide services that are desperately needed. Please do not impose rules that would inhibit our ability to help the members of our community.

Sincerely,

Frank Wilber
President and CEO
Liberty First Credit Union