

From: [Clinton Hartmann](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Tuesday, April 29, 2014 12:42:28 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Houston Texas Fire Fighters FCU (HTFFFCU), which serves the Houston Fire Department and their families. We have 16,000 Members and \$236 million in assets. HTFFFCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Although HTFFFCU would not be negatively affected by the new RBC rule at this time, we have concerns regarding several aspects of the proposal.

Anytime a one size fits all rule is implemented it will have a negative affect on some. In this case the need for changes in capital requirements may be necessary for a relative few credit unions but to place new requirements on all credit unions does not seem appropriate. If an individual credit union has additional risk that may require more capital then the examiners should deal with the specific issue. Since the proposal allows for a case by case basis for setting capital requirements it would seem unnecessary to impose requirements on all credit unions.

The risk waitings included in the proposed rule appear to be extreme when compared to small banks. Does NCUA feel that credit union management is less qualified than bank managers? We seem to all be playing on the same field, we just have different rules.

If NCUA concludes that new RBC requirements are needed then a time line that is reasonable to reach must be included. If the time line is not sufficient to be managed in an orderly fashion then the results will be harmful to the members. Drastic reductions in dividends and increases in interest rates will place credit unions at a diadvantage. Wholesale changes to balance sheets would not be advisable either. I feel confident that the NCUA does not intend harm to our membership.

In conclusion, although certain credit union's may need to set aside additional capital, passing a one size fits all rule is not the answer. In addition, not allowing sufficient time to meet the new requirements does far more harm than good.

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

Sincerely,

Clinton Hartmann
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