

From: [Eanes, Martha](#)
To: [Regulatory Comments](#)
Subject: Comments on Proposed Rule: PCA - Risk-Based Capital
Date: Wednesday, May 07, 2014 10:25:30 AM

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

Dear Mr. Poliquin:

This letter represents the views of National Western Life FCU regarding the NCUA's proposal on PCA – Risk-Based Capital. Our credit union is based in Austin, Texas and serves 364 members with our single sponsor. We appreciate the opportunity to comment on this very important issue.

Regulatory Burden (“Paperwork Reduction Act”)

Small credit unions simply cannot continue to survive under current regulatory burdens. This proposal is one more example of unnecessary regulatory burdens impeding the ability of small credit unions to serve their members. Although many small credit unions will not be classified as “complex” and subject to the RBC requirements, small credit unions are indeed still impacted by the proposal.

As drafted, the proposal increases the regulatory burdens of all credit unions, even those under \$50 million in assets. This is attested to by NCUA in the “Paperwork Reduction Act” portion of the proposal which estimates the time burden for each credit union (not just complex credit unions) to collect risk-based capital ratio data at:

- One-time recordkeeping, 122 hours;
- On-going recordkeeping, 20 hours; and
- One-time policy review and revision, 20 hours.

That equates to over 160 hours of work (or one full month!) for our VERY SMALL credit union which has only one employee. Does NCUA really think it is reasonable for a small credit union to spend a month of the year on this rather than serving its members?

Extend Compliance Date

Credit unions need additional time to comply beyond the proposed 18 months. Basel III allows banks until 2019 to comply. Credit unions should receive a comparable compliance period.

Martha Eanes
Manager
512/719-2376