Jerry Poliquin

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Ms. Deborah Matz
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

NCUA
OFFICE OF THE CHAIRMAN
MAY - 9 2014

RE: Comment on 12 CFR Parts 700, 701, 702 et al.
Prompt Corrective Action—Risk-Based Capital; Proposed Rule

Dear Mr. Poliquin,

We are writing on behalf of Embarrass Vermillion Federal Credit Union, an institution of nearly 4000 members and $26 million in assets serving the MN Iron Range. We respectfully comment on RBC proposed rule.

While understanding the need for safe and resilient credit unions; we would hope you would revisit this rule with its potential flaws and significant consequences to credit unions across the country. I would echo the MN Credit Union Network in their views. Credit unions have just struggled through the economic disaster of the past few years. We joined in replenishing the Share Insurance Fund and learned from those lessons.

Credit unions, like ours, have a strong relationship with our members. We support each other in good times and bad. The layoffs and unemployment have been historical and we have learned to plan accordingly. Our model may not work in New York or Texas but it does work here. Our fear is, during the examination process, an examiner could unilaterally or perhaps arbitrarily make such a determination that would destroy the business model our strategic plan and the mission our credit union embraces.

The RBC rule, in its present form, would put credit unions at the mercy of our competitors; while they continue to gain market share and force affected credit unions to struggle serving their members. We finance many of the homes the banks won't finance, so these people will again be forced into substandard rental housing.

The RBC now allows credit unions only 18 months to implement this rule. Our strategic plans we are working with may not allow for the sudden change. We are well capitalized under the current proposal, but could show significant reduction under the new plan. This could also impact our growth potential, ultimately impacting the members we serve. Many of the services are provided to our youth and seniors at no cost. This would change dramatically and put us at a distinct disadvantage in our market place. The banks are currently in a year four of a nine year plan to achieve what we are expected to do in eighteen months. At the very least please consider allowing us additional time to review and change our long range strategic plan.

Lastly, I would request the NCUA to take the time to carefully research all of the ramifications of this rule. Credit unions are still reeling from the flurry of change we have seen over the past few years. Some of which were not well thought through, but implemented in haste, as a Band-Aid of sort, to fix the problems that were only caused by only a few, but now we must live with for years to come. We have learned we don't live in a cookie cutter environment; what is appropriate for big banks may not be appropriate for small credit unions. Banks wouldn't do a $500 loan to help their customer but we do. We want to continue to serve our members as they have become accustomed.

Thank you for taking the time to hear our concerns.

Respectfully,

Dean E. Miller Roxi Jensen Roland Fowler

Dean E Miller
President/CEO

Roxi Jensen
Vice President

Roland Fowler
Board of Director Chairperson