From:	Guy Trenhaile
To:	_Regulatory Comments
Cc:	Jeff Olson
Subject:	Risk-Based Capital Proposal
Date:	Thursday, May 08, 2014 4:50:02 PM

We are a credit union which has grown in assets at a quick pace over the past several years, yet have managed to stay well capitalized under the current NCUA Capital requirements. Were it not for the Capital levels, we would have likely grown even more quickly. But we have planned and managed so we would be within the well capitalized levels. First of all, is this rule even justified – are the current levels that antiquated?

Our credit union is one of the many that are between $40 and $50 million in assets. We are probably similar to others in the fact that we would fall from being well-capitalized to adequately capitalized under the proposed rule changes. I realize there are multiple calculators and not all of them would have us falling to adequately capitalized, but the ones where I could change some of our asset classifications show us dropping. While we are not yet at $50 million in assets, that is a not too distant goal of ours! However, if this rule were implemented, we might have to consider the goal as secondary until we were able to build up our capital numbers. This could potentially hinder us from offering new and improved services to our members; services that they desire and deserve in the near future rather than the distant future.

If income ratios remain where they have been for the recent past for our credit union, we would likely have to become stagnant for the next two years, just to build up that capital level before we would actively pursue that $50 million level. We would also have to seriously consider whether we wanted to expand our small MBL portfolio as well. Many other credit unions in the Dakotas (particularly agricultural credit unions) will be hit very hard with this new rule if it would come to fruition. I would hate to see any credit union decide not to grow or have to sacrifice new products or services just because of poorly devised portions of this proposal. The risk weightings do not coincide with the thought process of helping credit union members in the areas of MBL. The mortgage and ALLL calculations also seem to have unjustified or arbitrary weightings that would not accurately reflect individual credit unions' balance sheets.

I would ask that you please reconsider the proposal in its entirety as it is not beneficial to credit unions or our members. It is a hindrance that we do not need in the current environment. NCUA Board Member Michael Fryzel stated in the April *NCUA Report*, "I urge all of you to accept the challenges that lie ahead. Vigorously pursue and put in place the solutions that will enable you to overcome and successfully move forward to success in the future. The path at times may be difficult, but the rewards are worth the hard work." We do accept challenges, work hard, provide and pursue solutions, but I urge you not to place unnecessary burdens in our path such to success! I believe this proposal is a hindrance to future growth and successes for credit unions.

Sincerely,

Health care plus FEDERAL CREDIT UNION
Guy Trenhaile
President
(605) 725-0900 | www.hcpfcu.coop