

From: [Joshua Roberts](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Thursday, May 08, 2014 4:50:06 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Enterprise Credit Union, which serves members in Ozaukee, Washington, Milwaukee, and Waukesha Counties in Southeastern Wisconsin. We have 5,023 Members and \$29.5 million in assets. Enterprise Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Enterprise would not be held to the standards of the rule as currently proposed, as we have not yet reached the asset size threshold, however at some point we will be affected, as the ultimate goal is to increase the assets of the credit union.

Credit unions have proven through the last few years of economic downturn incredibly well, all the while encouraging loan and share growth and maintaining strong capitalization. An additional regulatory constraint, particularly after the economic downturn, would be prohibitive in adding additional items to our already well-supervised balance sheets

By structuring this rule to have certain requirements for individual credit unions, this could potentially lead to complications in the marketplace, and unfair advantages and disadvantages between similarly sized credit unions. Regulations need to have clear guidance. What may appear to be a concern to one regulator might not be of concern to another, particularly if a credit union does not have the same regulators on a recurring basis.

Every credit union's balance sheet varies dramatically, and while some loans may have a higher inherent risk than others, certain considerations should be made, such as a credit union's low-income designation, opportunities to provide loans to lower rated paper, and assisting with credit building lending. Being held to this standard could result in these credit unions potentially not providing these lending products which are vital to the communities they serve.

There have also been numerous concerns regarding this timeline for the implementation of this rule change. Eighteen months is a very quick timeline, and might not afford credit unions the opportunity structure their balance sheet in order to maintain a well capitalized ratio. A more preferred timeline would be 24 to 48 months.

As Controller and Compliance Officer of Enterprise Credit Union, I have a vested interest in making sure that our credit union is always in a good financial position, and in turn being a good steward of our members investment in our cooperative. As the rule is currently written, I fear that this might lead to compromising the services that we offer to our membership.

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

Sincerely,

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Milwaukee, WI 53208