

From: [Richard Haas, Jr](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Thursday, May 08, 2014 3:00:51 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of ProMedica Federal Credit Union, which serves The employees of the ProMedica Health System. We have 7200 Members and \$51,000,000 in assets. ProMedica Federal 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.

Our credit union is currently well capitalized but under the proposed rule our capital position would shrink.

I feel this is an overreaction by NCUA in trying to compare our issues with banks. We are not a bank and did not cause the problems of the 2008 crisis. The problems that occur in the credit union industry were all taken care by the individual credit unions. Our credit union has currently paid back into the share insurance fund more the \$363,000 and once again we had nothing to do with the crisis. This has hurt our profitability which is currently the only way we can raise capital.

So our credit union feels this new proposal is necessary.

We feel credit union should be looked at on case by case basis if they need more capital based upon the risks they carry on their balance sheets. But a blanket rule over a certain asset size is unnecessary.

We feel some credit unions have stayed profitable in this low interested rate environment by making longer termed investments and fixed rate mortgage loans at low rates. We think that these credit unions need to watched closer to make sure in a rising interest rate environment they don't cause problems to the industry

We don't feel the NCSUIF deposit should be excluded from the deposit based upon it is capital that has come directly off the bottom line of credit unions for a rainy day, which we have left up to NCUA to manage.

We don't agree with restricting dividend payments as this only hurts the members, which I thought we were trying to protect.

We also feel this proposal need additional time to be reviewed. This regulation will have one of the greatest impact on our industry and we need time to make sure we get it right!

In summary, it is necessary to look at a another form of raising capital other than net income. If we are going to be treated like banks when it come to capital (which their standards are much lower than ours) then there should be a supplemental way of raising capital.

We all ready have the highest capital of any financial industry.

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

Sincerely,

Richard J Haas Jr.
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