

ALCOA COMMUNITY
FEDERAL CREDIT UNION

May 9, 2014

Gerald Poliquin
Secretary of the Board
National Credit Union Administration
Via Email to recommends@ncua.gov

Re: Prompt Corrective Action; Risk Based Capital

Dear Mr. Poliquin,

I write to you today to express my concerns and those of the Board of Directors of Alcoa Community Federal Credit Union regarding the proposed regulation to adopt a risk-based capital requirement for credit unions with assets over \$50 million. ACFCU's current asset size is \$41 million.

ACFCU, its Board and its CEO, strongly opposes the proposed regulation primarily because we do not feel that the proposed risk weights accurately reflect the actual risks held on a Credit Union's books and could ultimately discourage Credit Unions from making long-term investments and loans (i.e. mortgage loans) which would be a major disservice to our members. We feel strongly that the proposed regulation could change a Credit Union's PCA without reasonable justification. Obviously it is incumbent upon Credit Unions to carefully monitor concentration risk and interest rate risk for long-term assets, however the proposed regulation as it is written does not aid in that endeavor.

That you for the opportunity to comment on this proposed regulation. Please let me know if you have any questions or if you would like to discuss.

Respectfully,



Steve Brown
Chief Executive Officer
Alcoa Community Federal Credit Union