



---

Our members are our Strength

May 9<sup>th</sup>, 2014

Mr. Gerald Poliquin,  
Secretary of the Board  
National Credit Union Administration  
Via Email to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

RE: Prompt Corrective Action; Risk-Based Capital

Dear Mr. Poliquin:

The intent of the is letter is to share with you the concerns of River Valley Community Federal Credit Union in reference to the proposed regulation to adopt a risk-based capital requirement for credit unions over \$ 50 million in assets. Although River Valley Community Federal Credit Union is only \$ 39 million in assets, as we grow and continue to invest back in the lives of our members the growth potential is there for River Valley to exceed the \$ 50 million dollar threshold in the next few years.

River Valley Community Federal Credit Union opposes the regulation, as currently proposed, it appears the new risk weight calculations would not accurately reflect the actual risk held on the Credit Union's books. The regulation could change the Credit Unions PCA without reasonable justification. For example, all CUSO investments would be treated the same without regard to the type of CUSO or the performance of the CUSO. River Valley Community Federal Credit Union is currently an investor in a successful indirect lending CUSO and find this possibility alarming. In further review, it appears the proposed regulation will discourage credit unions from making long-term investments and loans such as mortgages.

Credit Unions should carefully monitor concentration risk and interest rate risk for long-term assets, however under this purposed rule it may very well hinder our ability to be of service to our members.

Thank you for your time and the opportunity to comment on the NCUA's proposed regulation for Risk-Based Capital!

Regards,

Tammy Passafiume  
President  
River Valley Community Federal Credit Union



Our members are our Strength

RIVER VALLEY  
COMMUNITY  
FEDERAL CREDIT UNION