

From: [Vickie Hurt](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Thursday, May 08, 2014 3:48:04 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Quest Credit Union, which has a Community Charter and serves much of the eastern part of Kansas with 6 branches in 4 different communities, we have 27,000 members and \$275,000,000 in assets. I appreciate the opportunity on behalf of Quest CU Board of Directors and myself to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Quest Credit Union would remain well capitalized in the proposed system, but its capital cushion would shrink. Quest would see its cushion over well capitalized shrink by a total of \$1,496,256 if the proposal were in effect today. Quest CU now has a cushion over well capitalized equal to 199 basis points on total assets. Under the proposal, the cushion over well capitalized would decline to 144 basis points on total assets. The proposal, if adopted, would thus cause a -55 basis point change in our credit union's cushion over well capitalized levels. As a reference point our ROA for last year was only .34 basis points.

Quest has an interest in three small CUSO's and I'm concerned about a number of the risk weightings, especially for member business loan and mortgage concentrations as well as for CUSO investments. These do not appear to be properly calibrated for credit unions, using higher risk weights on long-term assets to deal with interest-rate risk is misleading without considering liability maturities.

It does not appear to me that NCUA has justified the need for the rule adequately and that more time is needed to research the rule and the implications to the credit unions.

The credit unions need additional time to research the effect on their balance sheets today and in the future as it will affect how the credit union can do business in the future. More importantly it will affect the services credit unions can provide to their members.

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

Sincerely,

Vickie Hurt CEO / Quest Credit Union
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