

May 12, 2014

National Credit Union Administration
Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments on Proposed Rule: PCA - Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

I am writing on behalf of Western Healthcare Federal Credit Union, which serves the healthcare industry in three counties. We have 3900 Members and \$35,500,000 in assets. WHFCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk-Based Capital.

There are two areas of concern in the proposed regulation that I would like to address. The two concerns are: Individual Minimum Capital Requirements and Regulation Parity with FDIC.

Individual Minimum Capital Requirements

The proposed rule gives NCUA authority to require even higher capital for individual credit unions. This subjective portion of the regulation should be removed from the rule. Capital requirements can not be an area in which subjectivity is allowed.

If it is not eliminated, it should at least be clarified to state an examiner may recommend adjustments to capital requirement to the Regional Director for review and concurrence, and should the Regional Director concur, they must then refer it to the NCUA Board for final approval. However, in all cases, there should be an independent appeals process.

Regulation Parity with the FDIC

WHFCU believes that risk-based capital is appropriate, but feel strongly that the requirements for credit unions should not be more restrictive or punitive than they are for the U.S. banks or any other financial institution in the world under the Basel III framework. The lack of regulatory parity with Basel III places credit unions at a competitive disadvantage and will only further to limit the impact credit unions can have in providing lending their members and communities.

In summary, WHFCU believes that this proposal is not ready for full consideration of the Board and should be withdrawn for revisions and re-considerations. There are several other concerns which have been raised by our national trade association and fellow credit unions which deserve additional attention beyond the two concerns I've listed in these comments.

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

Sincerely,

Diana Michaels
President & CEO
Western Healthcare FCU

cc: CCUL