

From: [Elizabeth Seelbach](#)
To: [Regulatory Comments](#)
Cc: [Cleo Segovia](#)
Subject: Elizabeth Seelbach – Comments on Proposed Rule: PCA – Risk-Based Capital
Date: Monday, May 12, 2014 12:38:04 PM
Attachments: [image002.png](#)
[image003.png](#)
Importance: High

While I support requirements for credit unions to be strong financially, I believe that instituting the Risk Based Capital proposal as is could have a detrimental impact to the ability to grow. The NCUA needs to reconsider the proposed Risk-Based Capital Rule and I would like to comment alternatives to the existing proposal:

“The examiner discretion” to change an asset’s risk rating is a major flaw by NCUA. All credit unions should have the same risk rating to adhere to. The proposed rule will allow for individual subjectivity and not allow credit unions to know exactly what their regulatory capital expectations are. If the regulation is properly developed there should be no reason to change a risk rating for a case by case basis. Under the current suggestion if a credit union is in compliance NCUA can deem that they still require more capital; this is not justified.

According to the Federal Register, page 11209, there is an additional “Estimated Burden per Respondent” of approximately 200 hours which will occur annual. Additional staff will be needed which will cost the CU additional money and decrease the time and resources that could be used to better serve its members.

The proposed compliance date of 18 months is not sufficient time. Basel III allows banks 5 years to comply. Delay the enactment to December 31, 2017, allowing Credit unions 3 years to prepare and adjust their balance sheets effectively. Extending the date will allow management be better prepare for the potential proposal without making rash and ineffective decisions.

I conclude that although the proposal is commendable in concept, but modifications need to be made prior to enactment. I ask that the proposed rule be reconsidered and be refined to allow all credit unions to continue serving their members’ needs.

Thank you,



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