



Member owned. Not-for-profit.

May 09, 2014

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

MAY12'14 PM 2:31 BOARD

Re: Resource One Comments on Proposed Rule: PCA – Risk-Based Capital

Dear Mr. Poliquin:

Being an employee of Resource One Credit Union, I wanted to bring to light my concerns pertaining to the proposed Risk-Based Capital Rule. I do indeed support the mindset of credit unions being strong financially, however as I see it the proposal would have a negative effect on credit unions as a whole. I wanted to let you know of my concern and submit to you my thoughts on how the proposal might be improved.

- Because of our strength credit unions have been able to make it thru various challenging times, most recently the last recession. It seems to me that based on the prudent way credit unions have and are being ran, why would more capital be needed if it was shown that they maintained adequate capital? Requiring more capital would end up being at the expense of our member owners.
- The date proposed for compliance of this at 18 months just is not sufficient time and places undue burden. Banks are allowed 5 years to comply. It would be my thought to delay this to be effective December 31, 2017, thus allowing credit unions 3 years with which to prepare and adjust their financials accordingly.
- It seems to indicate to me an excessive increase when the increases in the MBL percentages are raising 150-200% when compared to the banking industry at 100%. We as credit unions require personal guarantees on business loans when the same is only an option for the banks. Credit unions are more conservative by nature and this increase would result in limiting our ability to be competitive.

In theory this proposal looks good on paper, but it is my belief that it needs to be modified to lessen the negative impact which will result. I would ask that this proposed rule be reviewed and re-worked to help all credit unions the ability to better serve their member owners and their needs.

Sincerely,

A handwritten signature in cursive script that reads 'Paul Haynes'.

Paul Haynes
Facilities Manager