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Federal Credit Union

May 17, 2013

Mr. Gerald Poliquin
Secretary of the Board
National Credit Union Administration
Via Email to regcomments@ncua.gov

RE: Prompt Corrective Action; Risk-based Capital

Dear Mr. Poliquin,

Pine Federal Credit Union is a 36 million dollar credit union with a low income designation. We keep our money working to help members have a better life in east central Arkansas. Although we are currently under the +50 million dollar threshold for the NCUA's new Risk Based Capital Proposal, we won't be under that amount for very many more years. As Operations Manager of Pine Federal Credit Union with 32 years of banking experience, I would like to go on record as saying I am against the new rule because as written, it goes well beyond Basel III recommendations. Why on earth would the NCUA even think of proposing tougher capital standards on well managed not-for-profit credit unions than are being proposed for banks world-wide? Not only is this not a good idea; it's a bad idea. It will divert funds which could be used to help members into funds which cannot be loaned due to the requirement of meeting and maintaining the higher capital standards. And if you look back into the past, in 2008, it was the Corporates which had a problem with adequate capital, and just a few credit unions. The Corporates had been under continual scrutiny by the NCUA and yet they nearly took the entire credit union movement down. It would seem then, that leaving the individual credit unions alone and allowing them to conform to Basel III might make more sense than micro managing and over regulating the individual credit unions. We support NCUA's desire for a sound credit union movement, but that can be assured by less regulation.....not more. The individual credit unions weren't the cause of the problem during the last banking crisis and they likely will not be cause of the next banking crisis.

Too big to fail banks, and a FED with too many ties to those banks, and too fond of the huge dividends it is now collecting from Fannie and Freddie to wind them down might be better targets of more regulation.

In summary, we appreciate the efforts of the NCUA, but do not support this proposed regulation because it can potentially cause more problems than it prevents.

Sincerely,

Terry Tucker - Operations Manager

Pine Federal Credit Union 5100 Jefferson Parkway Pine Bluff, AR 71602