



TAP·FCU

Texas Associations of Professionals Federal Credit Union

May 13, 2014

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

Sent via E-mail to: regcomments@ncua.gov

Re: Texas Associations of Professionals FCU (TAP FCU)
Comments on Proposed Rule: PCA – Risk-Based Capital

Dear Mr. Poliquin:

This letter represents the views of TAP FCU regarding the NCUA's proposal on PCA – Risk-Based Capital. TAP FCU is based in San Antonio, Texas and serves Realtors, Builders and Insurance Agents, their employees and families. The Credit Union has some 2500 members. TAP FCU appreciates the opportunity to comment on this very important issue.

TAP FCU opposes the proposed definition of "complex" credit union. The proposal would define a "complex" credit union as ANY credit union with over \$50 million in assets. There is nothing magical about \$50 million in assets; size alone does not make a credit union complex. NCUA has provided no justification for expanding the definition of complex credit union.

Small credit unions simply cannot continue to survive under current regulatory burdens. This proposal is one more example of unnecessary regulatory burdens impeding the ability of small credit unions to serve their members. Although many small credit unions will not be classified as "complex" and subject to the RBC requirements, the small credit unions are indeed still impacted by the proposal. Complexity of rules and the cost to account for them will only serve to increase cost of service to our members. Credit Unions will be forced to sell CUSOs and servicing at a steep discount because the time frame for compliance is very short. The Credit Union Industry would need years to comply with these challenges. Credit Unions *should not* be compared to banks that can go out and raise capital.

Credit Union members enjoy a strong relationship with their credit unions and would like the credit union to service their mortgage loans and with these regulations that is probably not

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possible. Credit Union's survived the recession of 2009 and the insurance fund was maintained. There does not appear to be a need for additional regulations.

This regulation will deny Credit Unions the opportunity to develop profitable business plans to serve members growing needs while keeping up with the expense of updated technology, compliance, disaster recovery, etc.

Credit unions need additional time to comply beyond the proposed 18 months. Basel III allows banks until 2019 to comply. Credit unions should receive a comparable compliance period.

Sincerely,

A handwritten signature in blue ink that reads "Paula W. Grigsby". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paula W. Grigsby
President and CEO

Cc: Robert D. Gardner, Jr., Chairman
Dick Einsweiler, Cornerstone Credit Union League