

**From:** [Amy Holloway](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Amy Holloway - Comments on proposed rule: PCA risk based capital  
**Date:** Thursday, May 15, 2014 5:26:21 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)

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Dear Mr. Poliquin,

As an employee of the Resource One, this letter represents my views regarding the NCUA's proposal on PCA – Risk-Based Capital. Although it is commendable in theory, it would leave detrimental outcomes. I fully support the concept for risk-based capital for credit unions, but would like to voice my concern and offer the following comments with the intention on improvement:

- Loans made to borrowers with superior credit histories are treated in the same manner as loans made to borrowers with poor credit histories. The proposal should expand when dealing with credit and collateral risks.
- 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. Allow management to better prepare for the potential proposal without making rash and ineffective decisions.
- Member business loans and mortgage concentrations do not appear to be aligned with the actual risk for credit unions. A home equity loan would carry a higher risk weight (100% to 150%) than a credit card loan (75%). As arbitrary, although obvious, as it may seem, should be reassessed and reclassified.

I respectfully and respectfully ask the NCUA to carefully review the proposed rule, to either eradicate or alter certain guidelines for the development of all credit unions.

Sincerely,



**Amy Holloway**

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