

From: [Amado Rivera](#)
To: [Regulatory Comments](#)
Subject: Amado Rivera - Comments on Proposed Rule: PCA - Risk Base Capital
Date: Thursday, May 15, 2014 11:30:09 AM
Attachments: [image002.png](#)
[image003.png](#)

Dear Mr. Poliquin:

As an employee of Resource One, I would like to take the time to express my concerns regarding the proposed Risk-Based Capital Rule. While I support the requirements for the credit unions to be financially healthy, the proposal would instead have an adverse effect on the credit union movement. I would like to express my concerns and offer the following comments with the intent to improve the proposal:

- Credit Unions have survived various economic downturns, such as the last Recession. Why is more capital needed, if with the Recession, we proved that the movement had adequate capital? The excess capital will come at the expense of our 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. Allow management be better prepared for the potential proposal without making rash and ineffective decisions.
- The increase in the MBL reserve percentages based on concentration of 150-200% when the banking industry is at 100%, appears excessive . Credit Unions require have personal guarantees on their business loans when this is an option for the banks. We inherently are more conservative and this will limit our ability to be competitive.

I conclude that although the proposal is admirable in theory, but modifications need to be made. I ask that the proposal rule be reexamined and be refined to allow all Credit Unions to continue serving their member's needs.

Thanx,



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