

From: [Lucy Harr](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Thursday, May 15, 2014 3:00:51 PM

Dear Secretary of the Board Poliquin,

My name is Lucy Harr and for five years, I have served on the Board of Heartland Credit Union, a community-based credit union serving 20,000 members throughout Madison and southwestern Wisconsin. In addition, I have devoted much of my career to the credit union movement. I have done so because I feel so strongly that credit unions can make a difference, precisely because they are different.

Heartland Credit Union and I appreciate the opportunity to provide comments to the National Credit Union Administration on its proposed rule, Prompt Corrective Action - Risk-Based Capital because it affects our credit union and all of those with \$50 million or more in assets.

At Heartland, we are proud to be able to provide agricultural loans to the hard-working farmers in our field of membership. Prior to being able to access credit from us, these farmers were at the mercy of the bankers, many of whom could have been cast as Mr. Potter in *It's a Wonderful Life*. We feel good about providing these ag loans -- member business loans -- because not only do they perform, but also serve a fundamental credit union purpose: credit for provident and productive purposes. What could be more productive than putting food on the table?

We are concerned about the effect the Risk-Based Capital proposal the NCUA Board is considering will have on our ability to make these loans. In its current form, the regulation does not take into account the credit risk of loans—only how many a credit union makes. Why should a credit union, such as Heartland, with a history of making good ag loans with a very small delinquency rate be lumped into the same risk category as a financial institution that has done a poor job of managing risk? We fail to see the point of that. Is it to discourage these loans altogether rather than to encourage good loans needed by worthy members?

I, In particular, am also concerned about the lack of due process. Your examiners work hard, but may not have sufficient knowledge about ag loans and their performance. Their ability to make decisions affecting the livelihood of our member-owners without adequate due process is very disturbing. I'm sure, they like all of us, enjoy a delicious meal after a hard day. Please re-visit this proposal, taking into account the concerns of our credit union, and many others, so that they -- and many other consumers who our farmers feed -- can continue to do so.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Sincerely,

Lucy Harr
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