May 15, 2014

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

RE: Comments on Proposed Rule: PCA - Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

I am writing on behalf of Clark County Credit Union which serves municipal and medical employees in the Las Vegas area. We have 33,000 Members and $520 million in assets. Clark County Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk-Based Capital.

My first broad concern relates to NCUA going beyond the specific law providing the current net-worth risk guidelines. After the most dramatic economic recession in our lifetimes, those credit unions who have survived have shown that the current guidelines and insurance structure, other than the corporate losses, were sufficient to sustain this challenge. For this reason alone, the current guidelines should be left intact and unmodified.

Given that it appears NCUA is determined to alter the current guidelines, I have the following concerns with the details of the proposal:

1) Risk weights proposed, other than those for consumer loans, are more stringent than those specified by Basel III for community banks. I would hope that guidelines applied to credit unions would mirror those specified by Basel III so as not to place an unfair disadvantage to credit unions. This relates to residential mortgage and small business loan risk weights.

2) Mortgage risk weights are arbitrary and do not take into account loan to value of a portfolio or quality of a portfolio.

3) Guideline ratios should be specific and not allow for examiners to specify arbitrarily net worth guidelines in excess of those stated.

Clark County Credit Union will not currently be impacted by the proposed changes. We have currently more than the net worth required under the proposal and have targeted a minimum net worth level in excess of the minimum. This strategy, however, of maintaining excessive net worth to satisfy regulators is not in the best interest of our community or our members. Nevada was hit more severely than most areas of the country during the past recession. Our then ten percent net worth was adequate for us to deal with the losses and stay solvent notwithstanding the pressures we faced. Now, at a time when the economy is recovering, we are spending too much energy focusing on compliance rather than how we can help be an economic engine to help the slowly recovering economy. The risk-based guidelines are reactionary to a difficult time and should not be imposed after we are the mend.

I sincerely hope NCUA will hear the many concerns that have been voiced and withdraw or signficinatly alter the proposed guidelines.

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

Sincerely,

Wayne Tew
President/CEO
Clark County CU

cc: CCUL