



SABINE
Federal Credit Union

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where you matter most

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May 9, 2014

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

MAY15'14 AM10:40 BOARD

Re: Comments on Proposed Rule: Risk-Based Capital

Dear Mr. Poliquin,

On behalf of Sabine Federal Credit Union I appreciate the opportunity to comment on the proposed Risk-Based Capital Rule. We are located in Southeast Texas and serve almost 15,000 members. We are a federally insured credit union and have been serving our members since 1948 and feel like the current Risk-Based Capital Rule will have a negative impact on our future and our ability to properly serve our membership. Therefore, we respectfully oppose the Risk-Based Capital Rule as it is written.

It is my understanding that Senator Alfonse D'Amato has provided you with a letter dated May, 7, 2014 that outlines the actual intent of the law as passed and describes how the proposed rule by NCUA is not meeting that objective. I strongly request that you give appropriate weight to this letter and re-evaluate the Risk-Based Capital Rule as written.

We oppose the Risk-Based Capital Rule as written because NCUA has not fully demonstrated or explained sufficient problems with the current PCA regulation. I feel like credit unions tend to be well capitalized and for the most part, came through our most current recession just fine. The way certain investments and loans will be risk-weighted do not seem to accurately reflect the true risk associated with those assets and do not take into consideration the concentration of those assets. This proposal will discourage future loans and investments which will have a direct impact on our entire membership.

This rule also appears to be attempting to place credit unions on the same level as banks and their capital requirements. I would like to point out that there are significant differences in banks and credit unions and we would like to keep it that way.

I appreciate you taking the time to read and review this letter and understanding that we are fighting for the rights of our members and our industry.

Sincerely,

David Meaux
President & CEO