

From: [Kevin Linden](#)
To: [Regulatory Comments](#)
Cc: [Dennis Flickinger](#)
Subject: Risk-Based Capital Proposal Comment
Date: Friday, May 16, 2014 10:52:50 AM
Attachments: [image006.png](#)
[image007.png](#)
[image008.png](#)
[image009.png](#)

Dear Secretary Poliquin,

This email is an official comment on the proposed risk-based capital rule. First Capital FCU is currently \$160 million in assets making us susceptible to the proposed risk based capital (RBC) rule. First Capital is proudly celebrating 60 years of continuous growth this year. Having said that, we have grown not through excessive regulation, but rather, by serving our members. Imposing higher capital requirements on us and the industry will only slow our growth and ability to thrive. We currently help our members finance their homes, businesses, and other needs, doing so with a conservative approach that has kept us safe and sound for these many years. We have managed just fine through the latest economic downturn and did so without a taxpayer bailout. None of this historical performance is considered in the new RBC proposal, whether one credit union has excessive charge offs/delinquency in business loans or none, the risk weightings are the same (and it doesn't matter what type of business loans a credit union is underwriting). Couldn't this be accomplished by information pulled from the 5300 call report data? We have consistently been 200 or more basis points into the well capitalized territory, however, under the proposal, we would barely be well capitalized. This means we would have to change our ways we have followed over the previous 60 years and will likely need to lower dividends to account for the reduction in loans that we will be booking, negatively impacting every one of our members. I see this proposal as not only a disservice to our membership, but a disservice to all credit union memberships.

Kevin Linden
VP of Finance
First Capital FCU

Kevin Linden | VP of Finance

First Capital Federal Credit Union

717-767-5551 x1105

kevinl@firstcapitalfcu.com

www.firstcapitalfcu.com



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