

May 16, 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 SF Recreation & Parks Federal Credit Union, which serves the employees of the Recreation and Parks Department in San Francisco. We have approximately 1100 members and \$14 million in assets. SF Recreation & Parks FCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk Based Capital.

I do not agree with this proposal. Due to our asset size this would not affect my credit union directly at this time, but could affect us in the future.

Some of the proposed risk weights are higher than the risk weights applied to community banks under Basel III. Why?

Most credit unions have done a good job at managing their risks already. This has been done by monitoring loans and funding the Allowance for Loan Loss as well as taking Asset-Liability measures on their balance sheets. This proposal would have the unintended consequences of credit unions trying to avoid risks instead of managing them, thereby limiting the ability to serve its members.

The two-tier capital ratio is not needed. As former U.S. Senator Alfonse D'Amato stated in his letter to NCUA on this proposal: "If we had intended there should also be a separate risk-based requirement to be well capitalized (in addition to the 7 percent net-worth ratio), we would have said so."

If approved, the implementation period of 18 months is too short. A recommended period would be from 3 to 5 years. Banks had 7 to 9 years for implementation and they were able to raise outside capital.

Due to the major impact on the credit union industry more time is needed for discussion of this proposal.

Please do not pass this regulation as written.

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

Sincerely,

Michele Sosa
CEO
San Francisco Recreation & Parks FCU

cc: CCUL