

May 19, 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,

Thank you for the opportunity to comment on the NCUA proposed rules related to '*Prompt Corrective Action – Risk-Based Capital*.' Our credit union is over \$500 million in size with 33,500 members in southern Nevada, where our economy was hit very hard during the recession. Clark County Credit Union (CCCU) survived due to our 10% net worth at the beginning of the period, while some other banks and credit unions did not survive. I feel we can speak to this subject with some perspective gained from the experience.

The two biggest concerns I have are in response to how governmental agencies are currently acting on the market place, a change that has amplified in the last 5-6 years. These two concerns are related:

A) Exceeding legislated guidelines – it appears that NCUA is proposing to demand more from credit unions than is specified in the current net-worth risk guidelines.

B) Inequity in application between banks and credit unions – It appears that once again, proposed regulations are more stringent when applied to credit unions than the parallel guidelines applied to banks (which are more lenient). This amounts to a governmental regulatory unit selecting who may more likely win or lose in the marketplace. Rather than limiting business, a more appropriate role for government would be to enable business and in an equitable way.

A third concern I have is that it appears that some of the proposed guidelines are, or may be based on arbitrary decisions by examiners, rather than by being based on genuine metrics.

C) Example - Mortgage risk weights in the proposal do not take into account the actual loan -to-value ratio of a portfolio or the quality of a loan portfolio. Guideline ratios should be specific and not allow examiners to specify arbitrary net worth guidelines in excess of those stated.

I hope that the NCUA will study the commentary provided by credit unions in an objective manner and retract or 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,

Mark Andrews  
Marketing Director  
Clark County CU

cc: CCUL