



Member owned. Not-for-profit.

MAY19'14 PM 1:54 BOARD

May 15, 2014

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

Re: Resource One Comments on Proposed Rule: PCA – Risk-Based Capital

Dear Mr. Poliquin:

This letter represents the views of Resource One regarding the NCUA's proposal on PCA – Risk-Based Capital. Resource is based in Dallas, Texas and serves approximately 48,000 members in Dallas and Northwest Harris counties. I appreciate the opportunity to comment on this very important issue. While I backing the necessities for credit unions to be fiscally sound, the proposal might rather have an impeding effect to credit unions.

The current system meets expectations, credit unions passed through the last Recession, the most noticeably fiscal crisis since the Great Depression, just fine. Resource One has as far back as anyone can remember, showed predictable development since it was initially sanctioned. Although I acknowledge the NCUA is making movements to enhance capital risk within the credit union movement, there appears to be imperfections in its present state.

Establishing an 18-month time period to these progressions is insufficient time to permit credit unions to rebuild their balance sheets adequately to expand the obliged capital. Credit unions need to be permitted more of an opportunity to adequately strategize and plan for the regulation.

It creates the impression that NCUA's risk-based capital regulation mirrors the Basel III model utilized by banks. However, the RBC proposal requires additional obligations aside from credit risk; it additionally inherits interest-rate risk, concentration risk, liquidity risk, operational risk, and market risk. This particularly chastises credit unions in light of the fact that they do not operate like banks, they have no elective strategies to raise capital aside from by earnings.

Furthermore, another flaw in the RBC proposal that is extremely disconcerting is the idea that an Examiner can discretionarily build the obliged capital that a credit union will need to maintain. It is especially disturbing recognizing that the proposal is more stringent than the banks and permitting the Examiners to require extra capital could bring about impossible and conflicting capital rules.



Federally Insured by the NCUA.



Member owned. Not-for-profit.

I appreciate the opportunity to voice my concerns with respect to the proposed Risk-Based Capital Rule. I truly hope you take my remarks and perspectives into consideration.

Sincerely,

A handwritten signature in dark ink that reads 'Michael Buckman'. The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Michael Buckman
Board Member



Federally Insured by the NCUA.