



**MARION  
COMMUNITY  
CREDIT UNION, INC.**

[www.marioncu.com](http://www.marioncu.com)

Toll Free: 888-455-7173

May 17, 2014

MAY19'14 PM 2:03 BOARD

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

Dear Mr. Poliquin:

The Marion Community Credit Union (MCCU) is a 58 million dollar credit union established in 1960 and serving 8,300 members in Marion and Morrow counties of Ohio. We welcome and appreciate the opportunity to submit our thoughts and comments relative to the National Credit Union Administration's (NCUA) Risked Based Capital (RBC) proposed rule.

Chief among our concerns are the following:

By virtue of our asset size we just cross the line to be subject to this proposed rule. This includes MCCU in the same group as "elite" credit unions with more than 500 million dollars in assets. Our concern is that credit unions our size are asked to shoulder the responsibilities of this regulation having 1/10 or less of the resources available to them to administer these changes compared to larger credit unions that have more complex balance sheets. Additionally to this point, the 18 month compliance "go live" date presents a hardship due to required realignment of personnel and time needed to restructure our balance sheet to achieve the optimum mix of assets that produce desired capital ratios.

The ability to raise capital sets credit unions apart from other financial institutions due to their lack of the option to go to capital markets. Provisions of the RBC Rule establishes that a credit union is adequately capitalized at 8% yet establishes a higher level of 10.5% to be well capitalized. This requires the raising of significant additional capital, in the absence of a clear means to do so. Examiners would also have the authority to impose additional capital on credit unions under the ruling based more on subjective findings and less on statistical support.

The risk rates percentages, in some instances, calculate a loss in excess of the value of the investment, i.e. government issued instruments, CUSOs. The potential loss on these are a maximum of 100% yet rated higher.

300 Barks Road East  
Marion, OH 43302  
740-389-9960  
Fax: 740-389-9961

810 Kenton Avenue  
Marion, OH 43302  
740-382-1929  
Fax: 740-382-5276

Personally, being associated with credit unions over the past 30 years, as a volunteer and an employee, I have seen first-hand their deliberate effort to fill the niche of serving the underserved and doing so in a responsible manner. Restrictive regulation will diminish credit union's ability to exercise their calling.

Thank you for your time and attention to this matter. I hope that you will find sufficient interest and concern in these matters to reconsider provisions of the initial ruling.

Sincerely

A handwritten signature in cursive script that reads "William R. Clark". The signature is written in dark ink and is positioned below the word "Sincerely".

William R. Clark  
Comptroller, Marion Community Credit Union, Inc.