



May 20, 2014

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

Sent via e-mail to: regcomments@ncua.gov

Re: Prompt Corrective Action - Risk-Based Capital proposed rule

Greetings Mr. Poliquin:

Thank you for the opportunity to comment on the proposed regulation noted above on behalf of the Board of Directors and members of WEOKIE Credit Union.

WEOKIE is a state-chartered credit union in Oklahoma with over 52,000 members and about \$967 million in total assets. The assets consist of a mix of consumer loans, mortgage loans, member business loans, and a variety of investments.

The credit union fully understands the need for capital standards for financial institutions. It appears that the existing net worth requirements for credit unions have been functioning adequately and favorably “survived” the recent severe financial crisis. Any additional protections that the proposed standards may establish appear to be outweighed by the burdens and financial impact on the credit union movement.

Specifically, the credit union has the following concerns and requests.

- CONCERN: The proposal requires credit unions as a whole to maintain an additional \$7 billion in capital per published estimates.
 - REQUEST: If possible, eliminate the proposed rule or, at a minimum, greatly reduce the financial impact on credit unions as justified by the success of the current net worth requirements.

- CONCERN: The proposal imposes higher capital requirements on “well-capitalized” credit unions than are imposed on “adequately capitalized” credit unions.
 - REQUEST: As it appears that NCUA does not have the legal authority to impose such additional capital requirements, eliminate the requirements.

- CONCERN: The proposal incorporates risk-weights that in some instances are higher than the “Basel system” for banks and/or appear arbitrary.
 - REQUEST: Modify the risk-weights and provide the rationale for each weighting.

- CONCERN: The proposal reserves the ability for NCUA to require additional capital above the proposed “well-capitalized” level on a case-by-case basis for individual credit unions.
 - REQUEST: Eliminate the provision.

Please consider the concerns and requests above and revise and clarify the proposed rule to ensure it does not adversely affect the financial condition of the credit union movement, create unnecessary regulatory burdens, and inhibit the ability of credit unions to serve their members.

Thank you.

Sincerely,



Brent Taylor
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