

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,

Dear Mr. Poliquin,

I am writing on behalf of Clark County Credit Union (CCCU), which serves local government employees and medical professionals with some additional employer groups. We have 33,000 Members and \$520 million in assets.

I appreciate the National Credit Union Administration's (NCUA) review and consideration of questions and comments below on its proposed rule, Prompt Corrective Action – Risk-Based Capital.

If the RBC rule is passed in its current form, I believe it will significantly damage the credit union industry and could lead to institutions strongly considering a converting to a bank charter. The rule appears to punish credit unions that have survived the recent difficult economic times.

I question if the risk weighting proposed matches the real risk present for the institution. The proposed rule unfairly assigns additional risk to investments that, upon proper review, prove to carry less risk for the organization.

Most people in the credit union industry agree Risk-based capital is appropriate, but the requirements for credit unions shouldn't be more restrictive and punitive than they are for U.S. banks and any other financial institution in the world under the Basel III framework. This places credit unions at a competitive disadvantage and will result in a reduced ability for credit unions to lend to their members and communities.

In conclusion, the RBC proposal should be framed within the context of community banks and their capital requirements. Further, the rules should not seek to damage credit unions that have proven the ability to effectively manage through difficult financial times.

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

Sincerely,

Chad Heese  
CLO  
Clark County CU

cc: CCUL