

From: [Erika Y Reyes](#)
To: [Regulatory Comments](#)
Cc: [Cleo Segovia](#)
Subject: Erika Reyes - Comments on proposed Rule: PCA - Risk Based Capital
Date: Tuesday, May 20, 2014 4:37:51 PM
Attachments: [image002.png](#)
[image003.png](#)

Dear Mr. Poliquin,

Thank you for allowing me the time to voice my opinion regarding the anticipated Risk-Based Capital Rule. As a devout advocate of the credit union movement I would like to comment on the potential upcoming Risk-Based Capital Rule. I hope my comments will aid potential improvements on the proposal:

- Credit unions came through the last Recession in 2007-08, the largest recession since the Great Depression just fine, without the needing one penny of taxpayers' dollars.
- Regarding member business loans, assigning more risk for member business lending in excess of 15% of assets has no basis considering credit unions are capped at 12.50%, unless the proposed regulation implies the waiver process serves no benefit to address the additional perceived risks in the eyes of the NCUA.
- Discounting the allowance for loan loss balances to 125% risk rating does not correlate with the purpose of this proposal. The risk-based nature of a credit union is evident in allowance accounts. The proposal takes control of credit risk management from the management team and the Board. The 125% risk rating premium will cause Credit unions to alter their business plans and manage their balance sheets around a ratio, that than a universal risk management methodology.

I appreciate the opportunity to voice my concerns regarding the proposed Risk-Based Capital Rule. I sincerely hope you take my comments and views into considerations for possible improvements on the proposal.

Regards,



Erika Reyes

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