

From: [Jennifer Spangler](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 10:40:59 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Altonized Community Federal Credit Union, which serves Madison County, Illinois. We have around 5600 Members and 36 Million in assets. Altonized Community Federal Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

How would your credit union be affected by the proposal?

We are under the \$50 Million mark for this; however, I do think this ruling would have an affect on the Credit Union system as a whole. If the larger ones are now having to put aside more funds to cover the additional capital requirements then it will take away from their membership by having to add more fees or less services. That takes away from the original meaning of Credit Unions which was always suppose to be "People Helping People". This will turn the larger ones more into banks.

Do you agree this new proposal is necessary?

I do not believe this new proposal is necessary at all. The Credit Union system has seen its share of hard times in the past few years but it pulled through beautifully which should be a testament to our strengths. The recent economic issues were not the only rough times the movement has seen though. The Credit Unions did not cause the economy to collapse so I don't believe we need to be continually penalized for it.

Do you agree NCUA should be able to impose higher capital requirements on credit unions on a case by case basis?

This most definitely should not be allowed. No one should be able to pick and choose what should be enforced. This will only lead to lawsuits or credit unions converting to banks to get away from NCUA. No one person should be able to pass their own judgement and penalize a place because they want to. Standards have to be set and followed if this is passed.

Do you agree with the risk weightings for:

- MBLs
- Mortgage Loans
- Longer-term investments
- Consumer loans
- CUSOs Investments and Loans
- Others (Please identify)

The entire Credit Union business is based off risk so to start imposing different weights seems meaningless. The risk should come down to underwriting on loans and research on investments. It is each credit union's responsibility to watch their own risk but risk is still risk no matter how it is looked at.

Do you agree NCUA should be able to restrict dividend payments as the proposal would provide?

The NCUA should not be able to restrict dividend payments. This is giving one company way too much power over an entire business line. Dividend payments should be deemed by each individual credit union as to how they see fit.

Do you agree with NCUA's implementation time line? If not, how much more time should credit unions be provided?

I believe that this proposal should be put on hold until a structured model can be made that would specifically state what the requirements would be for all affected credit unions. It could be broken into asset ranges and have stricter rulings for those over \$100 million but to have areas that can be set by an examiner on case by case basis is just not what this credit union movement is all about.

Summary of your position:

I have spent my entire life in the credit union movement. My father was president when I was 1 and this is literally all I have ever known. I have seen the credit union movement have its ups and downs over the past 38 years and for the most part credit unions have always overcome. This rule seems like it is a precursor to trying to change something that has worked all these years and make it more bank like. Credit Unions are suppose to be for the people - to offer the people affordable banking that they cannot get through a traditional bank but from a credit union. If all these rules and regulations keep being passed then soon we will be no different than a bank. Yes it is important to make sure risk is covered and yes it is important to set limits for places but the capital ratings have worked for years and years and I believe that they would continue to work just fine as they are today.

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

Sincerely,

Jennifer Spangler
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