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,

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

The proposed Risk Based Capital increases the weighting on Real Estate and MBL loans greater than certain percentage of asset levels. This additional weighting would have created a greater capital problem for CCCU when during the most recent economic crisis our asset size shrunk dramatically.

The maintenance of the net worth ratio and RBC creates a situation where more than one master has to be served. As CCCU made an effort to shrink during the recession, not only did it result in reduced income but it also resulted in increased reputation risk and a focus by management to actually shrink the business. Both measures should not be used in conjunction with each other.

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.

Thank you for the opportunity to comment on this important topic.

Sincerely,

Matt Kershaw
Vice President of Sales
Clark County CU

cc: CCUL