

May 20, 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,

Introductory paragraph:

I am writing on behalf of Cabrillo Credit Union, which serves federal employees, Fraternal Order of Retired Border Patrol Officers, Sharp HealthCare employees and City of Carlsbad employees. We have 25,000 Members and \$217 million in assets. Cabrillo appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk-Based Capital.

Cabrillo has several concerns about this proposed regulation.

Credit Unions are coming out of the great recession where many experienced high losses due to the economy. As a result, credit unions are working to rebuild their capital. Imposing new capital requirements on credit union as this time could have devastating consequences and may result in an uptick in merger activity for those credit unions whose capital is deficient under the new regulation. NCUA has not demonstrated a reason for this new regulation and credit unions need less regulation, not more.

Another concern is the authority NCUA is given under the proposed regulation to impose higher capital standards on credit unions that may exceed well capitalized requirements.

Finally, we encourage NCUA to reconsider the requirement that the 1% deposit in the NCUSIF be ignored in the calculations.

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

Sincerely,

Robin Lentz
CEO
Cabrillo CU

cc: CCUL