

From: [Connie Kennelly](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 10:41:00 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Tulane-Loyola FCU, which serves the faculty, staff and students of Tulane University, Tulane Med School & Hospital as well as Loyola University. We have over 4,700 Members and \$20 million in assets and are designated as a Low Income Credit Union. Tulane-Loyola FCU 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?
Particularly in this environment, it is a struggle to maintain capital commensurate with even ordinary growth. We have been forced to curtail growth (from 14%) by limiting deposits by reducing dividends in order to maintain our capital at over 10%.

Do you agree this new proposal is necessary?
Small credit unions have not been the problem and should be able to expect and receive regulatory provisions accordingly.

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

Do you agree with the risk weightings for:

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

On a case by case basis.

Should the NCSUIF deposit be excluded from the calculation of RBC ratios?
No, insofar as credit unions, uniquely provide the capitalization of the NCSUIF deposit.

Do you agree NCUA should be able to restrict dividend payments as the proposal would provide?
Again, this should be on a case by case basis.

Summary of your position:

Credit unions, despite all of the adverse comments from other types of financial institutions are unique and remain so. The majority of credit union members understand that we are involved in their financial well-being with emphasis placed on their needs, not profit.

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

Sincerely,

Connie Kennelly, President/CEO
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