

**From:** [Cheryl Lester](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Prompt Corrective Action Risk-Based Capital Comment Letter  
**Date:** Wednesday, May 21, 2014 10:40:56 AM

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Dear Secretary of the Board Poliquin,

I am writing on behalf of Jax Glidco EFCU, which serves employees of Renaissance Chemical in Jacksonville, FL and Brunswick, Ga. along with employees of Milligan Chemical in Gainesville, FL. We have 420 Members and 2.2 million in assets. Jax Glidco EFCU 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?

The proposal appears to lead to higher reserves which would cause a great hardship on many small credit unions.

Do you agree this new proposal is necessary?

It does appear to me that small credit unions have a lower risk for loss for the NCUA than the medium sized credit union.

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

It is very difficult to anticipate the action each examiner will require at this time. But to increase authority to impose higher capital requirements on a case by case basis would be impossible to predict for the management of a small credit union. We have operated on the theory that less is more. The less variables we have in our day to day operation the better our chances are to meet NCUA regulations.

Do you agree with the risk weightings for:

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

The effect of the risk weightings for our credit union would be limited to three areas from the above list. Please keep it simple. We have so little time in the day to actually work with the member and that is what we are supposed to be about.

Do you agree NCUA should be able to restrict dividend payments as the proposal would provide? No. Restricted dividend payments will tie the hands of the management. There are times some decisions need to be made by the people closest to the issue or problem.

Do you agree with NCUA's implementation time line? If not, how much more time should credit unions be provided? If this is really going to happen we need as much time as possible. We will have to figure out how to find the time and funds to support these new restrictions.

Summary of your position:

Consider the time and dollar loss for NCUA due to smallest credit unions closing. Consider the hard work volunteers and under paid staff put in the day to day operation of a small credit union. Please allow us to exist.

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

Sincerely,

Cheryl Lester, Manager  
601 Crestwood St  
Jacksonville, FL 32208

