

From: [Deborah Mozal](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 11:51:00 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Community Regional Credit Union which serves Commonwealth Health System, TransMed Ambulance, Highland Manor Kingston Boro and print shops in Luzerne and Lackawanna counties of Pennsylvania. We have over 2,500 Members and \$20 million in assets. Community Regional 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.

OUR CONCERNS ABOUT NCUA'S RISK BASED CAPITAL PROPOSAL•NCUA has not justified the need for the rule adequately;

- NCUA would assume additional authority to impose even higher capital requirements on individual credit unions that could exceed even well-capitalized level requirements;
- NCUA would require covered credit unions to subtract good will from net worth when calculating their risk based capital requirements (note: this is consistent with Basel III);
- NCUA would also require the National Credit Union Share Insurance Fund 1% deposit to be ignored in the risk-based capital calculation;
- More credit unions than NCUA has indicated would be impacted as their net worth would fall to just barely over well-capitalized or adequately capitalized levels;
- More time is needed for the rule to be phased in;
- A number of the risk weightings, especially for member business loan and mortgage concentrations as well as for CUSO investments, do not appear to be properly calibrated for credit unions. Using higher risk weights on long-term assets to deal with interest-rate risk is misleading without considering liability maturities.

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

Sincerely,

Deborah L. Mozal, Director of Operations
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