

From: [Dawn Sutcliffe](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 12:00:07 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Delaware Alliance Federal Credit Union, which serves Delaware Health and Social Service employees and their families along with 75 other small business groups. We serve 4500 members and have \$20 million in assets. Delaware Alliance Federal 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 additional capital resources required by this proposal will put credit unions at a distinct disadvantage relative to the for-profit banking sector. During the course of the economic downturn credit unions continued to meet the mission of the movement by making loans available and accepting deposits when the banking sector pulled back.

The proposed system punishes too many credit unions with higher capital set-asides. Given that the current system proved to hold up through the worst recession since the Great Depression the proposed changes are excessive. Adjust the risk weights to reflect more realistic losses.

Imposing higher capital requirements on credit unions on a case by case basis seems to contradict the entire purpose of the proposed changes and should be removed entirely.

The timeline of 18 months is insufficient and should be increased to 36 months, as banks are given this period to implement changes in the BASEL standards.

Summary of your position:
President and CEO

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

Sincerely,

Dawn Sutcliffe
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