

From: [Janice Zuchowicz](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 10:50:06 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Credit Union Advantage, which serves St John Health System and the communities surrounding on branches in South East Michigan. We have 3200 Members and 28 mil in assets. Credit Union Advantage appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Our Credit Union's strategic plan is to grow our credit union to better serve our members and the community. This new rule will not allow us to grow our credit union without significantly increasing our capital ratio. We would then required to change our plan to align with the new rule. This adjustment would not be what the market calls for or needs and wants.

The NCUA is exceeding its authority with this proposal. Which does not best serve the nation or credit unions. Credit Unions and the share insurance fund faired far better during the last historic recession.

Credit Unions do not the ability to raise secondary capital and the current PCA rules have protected the insurance fund. This would cause credit unions to add over 7 billion to their capital. Seven billion dollars that now can not be spent or improving products and services.

The risk weightings are poorly calibrated and more stringent than comparable risk-weights under the Basel regime for small banks. The time frame for the compliance is unreasonable. Eighteen months compared to nine years with banks to comply. Credit Unions should be given the opportunity to raise the capital over years not months. It would be reasonable to allow time frame similar to banks.

This proposal would cause the industry to raise over 7 billion in capital that is not simply not needed for safety and soundness. It would take the focus from saving members money to raising the capital rates for the sake of capital.

I am the President of a small credit union here to serve my members and provide quality products and services that my member need and want. This rule would adversely affect my credit union ability to grow and serve my members and the community.

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

Sincerely,

Janice Zuchowic, President/CEO
3272 Wormer Dr
Waterford, MI 48329