

From: [Mark Schrimp](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 10:40:58 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of WEA Credit Union, which serves primarily the teachers of Wisconsin and their families. We have 2700 Members and \$28 Million in assets. WEA 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 credit union industry has survived, and some cases thrived, during the worst financial crisis in more than 50 years. I don't believe there is a strong case to alter the current capital requirements.

Do you agree NCUA should be able to impose higher capital requirements on credit unions on a case by case basis? NCUA should not be able to impose higher capital requirements on a case by case basis. Allowing such would only introduce an opportunity for examiners to wreak havoc and grief for management and staff of credit unions who already operate under sufficient capital requirements.

Do you agree with the risk weightings for:

- MBLs
- Mortgage Loans

No. The proposed risk weighting for residential mortgages and small business loans far exceed those which are imposed on small banks. This would impose an unfair advantage to those banks.

Do you agree with NCUA's implementation time line? No. The banking industry will have significantly longer (9 years) to comply with Basel III. The 18 months allowed for credit unions to become compliant with the proposed rule is simply unfair and way too short to develop and implement a sound and effective plan.

In summary, the rule as proposed, provides for too much leeway for individual examiners to impose higher capital requirements, provides for higher capital requirements than what are imposed on smaller banks, and doesn't allow for an adequate implementation period. The total effect on the credit union industry would result in billions of dollars in excess capital, higher loan rates for members, and potentially fewer services.

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

Sincerely,

Mark Schrimp
2017 Anvil Ln
Madison, WI 53716