

From: [Nick Kessenich](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 21, 2014 11:50:59 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Members First Credit Union which serves Dane and Iowa county in Wisconsin. We have 2900 Members and 20 million in assets. Members First 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.

How would your credit union be affected by the proposal?

I understand that at this time this proposed rule is not suppose to effect credit unions under 50 million. If this law goes in effect in my opinion it will hurt small credit unions. My 20 million dollar credit union works in partnership with large credit unions. I call many large credit union for their opinions on different matters. If I need share dollars or if one of my members has a real estate or buisness loan that my credit union can not do we have larger credit unions that we count on and are glad to help us out in these matters. If you put these capital restrictions on them that could mean they could no longer help my members.

Do you agree this new proposal is necessary?

This new rule would give individual examiner's the power to increase a credit unions individual risk-base capital requirement based on their individual opinion. We already have to ajust to examiner's having different opinions on lending guide lines, but as I see it "just because I say so" authority compounding that problem.

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

How can a credit union make plans for new products in the future when an examiner can come in and impose higher capital requirements when there is no set rules or guidlines.

Do you agree with the risk weightings for:

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

I feel this may be forcing credit unions to ajust their products to avoid an increase in capital requirements will mean less ability to address members needs.

Do you agree NCUA should be able to restrict dividend payments as the proposal would provide?

I feel restricting dividend payments would be a fatal blow to a credit union .

Do you agree with NCUA's implementation time line? If not, how much more time should credit unions be provided?

This is a huge new rule that would be on top of so much other regulation. Credit unions need time to breath. PWe should get as much time as banks to comply with Basel 111.

Summary of your position:

This proposal ignores loan to value ratios and also historic loan losses by individual credit unions. This rule if implemented as written will be very damaging to all asset size credit unions.

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

Sincerely,

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