

May 20, 2014

Mr. Gerald Poliquin  
Secretary to the Board  
NCUA  
1775 Duke Street  
Alexandria, VA 22314-3428

Dear Mr. Poliquin:

We are writing on behalf of the Peach State FCU Board and Supervisory Committee volunteers. Before addressing our specific concerns, we want to tell you about our credit union and the good it does in the communities that we serve. Peach State FCU serves approximately 41,000 members in east Metro Atlanta area. Over the past 20 years, we have grown from \$14 million to over \$265 million in assets. During that period of time we have maintained net worth in the 7 – 9% range.

This success was accomplished through higher-than-peer revenue generation, lower-than-peer loan losses and a management team that focused on the needs of our members. We have reached out to underserved sectors of our local community with products and services tailored to meet their needs. We have long offered Fresh Start checking accounts giving members access to the payments system when banks would not. We offer Fresh Start sub-prime car loans which rescue members from the clutches of buy-here, pay-here auto dealers while saving them about half of the interest they would have paid at the dealerships. We received a national award recognizing our outreach and decade of service to the Bosnian refugee community. And, we have also provided significant support to the local education systems with scholarships and “Teacher of the Year” programs.

Our CEO and other members of the Peach State management team have submitted comment letters, all of which we fully support. But there is one area they did not address directly and that was the authority giving examiners the ability to impose higher capital requirements on individual credit unions if they determine more capital is needed.

Over the years, we have engaged in discussions with numerous examiners and we have noticed at least one common attitude or belief; “there is no such thing as enough capital.” And, regardless of what our analytics say, there is no such thing as low interest rate risk, low liquidity risk or low credit risk. Everything is at least “moderate.” Giving examiners the power to impose added capital requirement is not something we can support. Any such authority should reside at the NCUA Board level and no lower.

Sincerely,



Rick Davis  
Chairman, Board of Directors



Rick Cost  
Chairman, Supervisory Committee