

May 19, 2014

MAY21'14 PM 3:01 BOARD

National Credit Union Administration
Secretary of the Board Gerald Poliquin
1775 Duke Street
Alexandria VA 22314-3428

RE: Risk Based-Capital Proposal

Dear Secretary Poliquin:

I am writing on behalf of Maine Education Credit Union, which serves Educators throughout the State of Maine. We have 4029 members and \$32MM in assets. Maine Education 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.

Our credit union does support NCUA implementing a more sophisticated risk-based capital framework, but we do not support NCUA's proposed risk based capital regulation. We do not feel that NCUA has adequately justified the need for the rule.

It is our opinion that interest rate and concentration risks should be guarded against in the risk-based capital framework. Our credit union also feels that real estate and member business loans' weightings should have different risk weights based on whether they are current or delinquent. We do have corporate perpetual capital, and we do not agree with the risk weighting of 200 percent for corporate perpetual capital. With regards to NCUA's proposal to assign a risk weighting of 150 percent for investments with a weighted-average life between 5-10 years, and 200 percent for those over 10 years, we disagree with these proposed weightings. I do not agree that the length of an investment necessarily dictates the level of its risk. Finally, we do have CUSO investments, and we do not agree with the risk weighting of 250 percent of the investments in CUSOs.

We also believe that any risk-based capital framework should include the ability for all credit unions, not just low-income, to have access to supplemental capital.

In closing, I would like to once again reiterate that Maine Education Credit Union does not support NCUA's proposed risk based capital regulation because we believe it is not adequately justified.

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

Sincerely,



Richard Lachance
President/CEO