

**From:** [Reva Wood](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Prompt Corrective Action Risk-Based Capital Comment Letter  
**Date:** Wednesday, May 21, 2014 10:40:59 AM

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Dear Secretary of the Board Poliquin,

I am writing on behalf of Lockport Schools Federal Credit Union, which serves Lockport City schools district employees and their families. We have approximately 1290 Members and just under \$12,0000.00 in assets. Lockport Schools FCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

We believe that this new proposal, if implemented, would have a very adverse affect on our Credit Union. The proposal to require much higher capital set-asides would put unnecessary strain on our ability to lend and even handle the day to day functions of our credit union. We could also be put in a position of being forced to eliminate some of our current products. Instead of growing competitively, we would be constrained from growing in a healthy way. This proposal will put an undue strain on the finances and operations of our credit union.

We support the idea of risk based capital but we believe it should not be based on a one size fits all. It should be commensurate with the size and scope of each credit union. We believe that the capital requirements should be on a case by case basis. We also have concerns that the Agency's proposal to allow examiners the power to impose arbitrarily high capital standards would not be to the best interests for our members.

We would like for you to consider including a "safe harbor" definition in the proposal that would remove the "complex" definition.

We disagree with the proposal whereby NCUA would be able to restrict dividend payments.

We recognize that there is a need to implement risk based capital, but we would ask that you seriously consider the negative impact these proposals would have as they currently stand. We strongly believe this proposal would adversely impact small credit unions across the board and impact the ability to adequately service our members in the coming years.

We believe that the current proposal is an unreasonable risk weighting system and that it would ultimately inhibit healthy growth, vitality as well as viability especially for small credit unions.

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

Sincerely,

Reva J. Wood  
6289 Autumnview Sta  
Newfane, NY 14108