

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

Dear Secretary of the Board Poliquin,

I am writing on behalf of School Employees Credit Union of Washington (SECUWA), which serves the educational industry in Washington State. We have 80,000 members and \$980MM in assets. SECUWA appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

SECUWA is deeply concerned with this proposed rule. We recognize the need for some type of capital reform but cannot support this proposal as currently drafted. We believe this rule will have a significant negative impact on the credit union industry at a time when all credit unions are challenged with unprecedented competitive pressures and regulatory burdens.

We believe that reform to capital requirements must include:

1. Ability for credit unions to raise supplemental capital
2. Specific limitations with respect to how the NCUA will impose higher capital standards on a "case-by-case" basis.
3. Stronger justification for some of the risk weightings (MBL, CUSO, etc.)
4. A minimum 5-year implementation period
5. Inclusion of the NCUSIF deposit in RBC calculations

As a member of the credit union community, we offer these comments in good faith, with a desire to collaborate with the NCUA to find common-sense capital reform that will strengthen, rather than weaken, the overall credit union industry.

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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