

**From:** [Wendy Driver](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Prompt Corrective Action Risk-Based Capital Comment Letter  
**Date:** Wednesday, May 21, 2014 10:50:06 AM

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Dear Secretary of the Board Poliquin,

I am writing on behalf of Emerald Credit Union, which serves those members that live, work, worship or go to school in Cuyahoga County, Ohio. We have 7,820 Members and \$49,659,597 in assets. Emerald 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.

As a small credit union, we are already challenged with managing various compliance and regulatory aspects that greatly impact our ability to grow. This rule would continue to impede on our efforts.

We at Emerald Credit Union do not see a need for this proposed system. The Agency has chosen a method that punishes too many credit unions and fails to let Credit Unions do what they do best--serve our members. This proposed system restricts our ability to serve and considering that the current system survived the Great Depression, imposing this change just doesn't make sense.

We are also concerned about the Agency's proposal to give examiners the power to impose arbitrarily high capital standards on individual credit unions – even if there is some sort of appeals mechanism. This creates an incredible opportunity for bias.

The proposed risk weights are unrealistic. They need to reflect marketplace realities. The current weights bear no relationship to actual credit union losses over time - both from the standpoint of losses relative to those in the banking sector and from the standpoint of comparative losses within credit union portfolios.

The bottom line is we are a small credit union that teeters on the \$50 million dollar mark. Imposing complex decisions without any safe harbor ultimately leaves many credit unions to wait in the wings to become merger bait. In order for credit unions to stay viable, we need to be able to operate in a capacity that makes sense. Adding more corrective action to an already over-regulated, over-saturated situation does not make sense. We are state-chartered and privately insured but everything that happens with you, ultimately happens to us. We want to stay strong and be able to serve our members. Does the Agency really want to see smaller credit unions fail and decline in overall numbers nationwide?

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

Sincerely,

Wendy Driver, CEO Emerald Credit Union  
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