

May 22, 2014

Mr. Gerard Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Sent via E-mail to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: Department of Public Safety Federal Credit Union Comments on Proposed Rule: PCA  
– Risk-Based Capital

Dear Mr. Poliquin:

This letter represents the views of Department of Public Safety Federal Credit Union regarding the NCUA's proposal on PCA – Risk-Based Capital. DPSFCU is based in Oklahoma City, OK, and serves employees and family members of eight Oklahoma state agencies with law enforcement responsibilities. We have 3,122 members. DPSFCU appreciates the opportunity to comment on this very important issue.

*Definition of “Complex” Credit Union (Sec. 702.103)*

DPSFCU opposes the proposed definition of “complex” credit union. The proposal would define a “complex” credit union as ANY credit union with over \$50 million in assets. A credit union's products, investments and balance sheet should be included in assessment of the complexity of a credit union. There is nothing magical about \$50 million in assets; size alone does not make a credit union complex. NCUA has provided no justification for expanding the definition of complex credit union.

*Regulatory Burden (“Paperwork Reduction Act”)*

Our small credit union struggles to survive under the barrage of increasing regulatory burdens. This proposal is one more example of unnecessary regulatory burdens impeding the ability of small credit unions to serve their members. Although many small credit unions will not be classified as “complex” and subject to the RBC requirements, the small credit unions are indeed still impacted by the proposal. This truly concerns me as it will adversely affect our ability to maintain our great credit union as we struggle to meet those unnecessary requirements.

As drafted, the proposal increases the regulatory burdens of all credit unions, even those under \$50 million in assets. This is attested to by NCUA in the "Paperwork Reduction Act" portion of the proposal which estimates the time burden for each credit union (not just complex credit unions) to collect risk-based capital ratio data at:

- One-time recordkeeping, 122 hours;
- On-going recordkeeping, 20 hours; and
- One-time policy review and revision, 20 hours.

That equates to over 160 hours of work (or one full month!) for a small credit union that might only have a couple of employees. Does NCUA really think it is reasonable that a small credit union should spend a month of the year on this rather than serving its members? I can tell you, from the perspective of a small credit union manager, we have neither the staff nor the funds to hire additional staff to meet this requirement. We already struggle to keep up with those things necessary to serve our members and protect their interests. If this passes, it makes our job responsibilities more costly at best and impossible at worst.

*Extend Compliance Date*

Credit unions need additional time to comply beyond the proposed 18 months. Basel III allows banks until 2019 to comply. Credit unions should receive a comparable compliance period.

Sincerely,

A handwritten signature in black ink that reads "Barbara Ray". The signature is written in a cursive, flowing style with a large initial 'B' and 'R'.

BARBARA RAY, President  
Department of Public Safety Federal Credit Union