

May 22, 2014

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

RE: Comments on Proposed Rule: PCA - Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

I am writing on behalf of Sierra Central Credit Union, which serves the residents and communities of Northern California from the Sacramento Region to the Oregon border with sixteen branches and 60,000 members with \$725 million in assets. As the fifteen-year CEO of Sierra Central Credit Union, I appreciate the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk-Based Capital.

I believe that NCUA should re-think and re-consider this far-reaching risk based capital proposal. Although I agree and support risk-based capital formulas, NCUA's proposal goes beyond necessary limits and borders on managing balance sheets within the individual credit unions. The proposal is a clear departure from industry standards. The Basel standards address most of the NCUA concerns, but stop short of intrusive management of the credit union. Sierra Central does not agree with the risk weightings placed on MBLs, Mortgage Loans, Long-Term Investments, Consumer Loans, and CUSO Investments and Loans.

In summary, Sierra Central does believe in risk-based capital requirements, but not the way this proposal is formed. Let credit unions management and boards manage and oversee their credit unions. NCUA should use the well-thought-out tools that are available today in Basel, instead of re-inventing the wheel.

Again, I want to thank you for the opportunity to comment on this proposed rule.

Sincerely,

John Cassidy  
CEO  
Sierra Central CU

cc: CCUL