

From: [Shirley Spruill](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Thursday, May 22, 2014 1:40:07 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Board of Directors of Renaissance Community Development a low-income State Chartered Credit Union which serves anyone that lives, works, worship, attend school or own a business in the Renaissance 2000 Target Area covering parts of Franklin Township and New Brunswick, NJ. . We have 707 Members and \$848,921 dollars in assets. Renaissance CDCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

How would your credit union be affected by the proposal?

As a credit union well below the proposed asset size to which this rule would apply, it appears that we will not be affected by it. I don't believe this to be true. Several aspects of this rule could affect my membership in unintended ways. However, I believe that anything that affects one group of credit unions and it members ultimately affects all credit unions and their members.

Do you agree this new proposal is necessary? No, NCUA has not put forth any real argument for the necessity of this regulatory action. The current system, with its current definitions of capital adequacy held up very well during the worst economic disaster since the Great Depression

Do you agree NCUA should be able to impose higher capital requirements on credit unions on a case by case basis? No, the additional capital required by this proposal will be detrimental to the interest of tens of millions of credit union members. To raise the required additional capital credit unions would have to charge their members higher interest rates, fees and pay lower dividends on deposits.

Do you agree with the risk weightings for: NO

- MBLs
- Mortgage Loans
- Longer-term investments
- Consumer loans
- CUSOs Investments and Loans
- Others (Please identify)

Should the NCSUIF deposit be excluded from the calculation of RBC ratios? No. Excluding the NCSUI deposit from assets just makes this rule look even more arbitrary

Should goodwill be excluded from the calculation of the RBC numerator?

Yes.

Do you agree NCUA should be able to restrict dividend payments as the proposal would provide? No

Do you agree with NCUA's implementation time line? If not, how much more time should credit unions be provided?

Do you have other concerns with the proposal? Please explain.

I am deeply concerned about NCUA's proposal to give examiners the power to impose arbitrarily higher capital standards on individual credit unions. It has been a long hard road but over time NCUA has reduced the number of cases where an examiner has arbitrarily required a credit union to do or not to do something based solely on the examiner's opinion. As small as we are I have witness the examiner imposing their opinion and directives to us based on their opinion. This should not be allowed.

Summary of your position:

I disagree with this rule and it should be reconsidered.

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

Sincerely,

Shirley I. Spruill
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