From:	Bernard A. Balsis, Jr
To:	_Regulatory Comments
Subject:	Prompt Corrective Action Risk-Based Capital Comment Letter
Date:	Saturday, May 24, 2014 7:00:04 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Independent Employers Group FCU, which serves various small employer groups and the communities of Hilo and Puna Hawaii. We have about 3,000 Members and a little over $20 million in assets. IEG FCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

As we are a smaller Credit Union we will not be immediately affected by the proposal. However, with growing regulations on many fronts we are looking at the possibility of growing with with other small Credit Unions. IN that consideration we now need to look at what happens when we, as one larger CU have assets over $50 million. I am finding the rule combersome and wanting not to grow in this manner.

The rulle is not necessary as long as existing rules are followed. When examiners come in they do look carefully at investment and loan assets. They look at them with regards to concentration and interest rate risk, as they should. They look at the quality of underwriting loans as well as the complexity or simplicity of an investment program. This is good. The risk based capital rules will not do anything to help this already good practice in the examination processes.

There is no need to have special ratings other than already exist for:

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

As mentioned above, examination already look at concentration risk in these areas as they grade a portfolio and determine the risk associated wityh regards to the NCUSIF insuring the repsective CU's member deposits.

The NCSUIF deposit should be excluded from the calculation of RBC ratios. There is no risk in this investment.

In summary I think it is more important to implement and force existing rules to govern CUs. I think many of the problems of the past were not caused by regulators or a lack of regulation. It was caused by the relaxing of credit standards on a massive scale. It is important to measure concentration risk and interest rate risks. NCUA already has systems in place to measure these risk factors. Another layer qualtifying the same data is not necessary.

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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