

From: [Harold Roundtree](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Friday, May 23, 2014 9:00:51 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of UNCLE Credit Union, which serves the communities of Alameda, Contra Costa, Stanislaus and San Joaquin counties in Northern California. We have over 21,500 Members and \$289 million in assets. UNCLE Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) regarding its proposed rule, Prompt Corrective Action - Risk-Based Capital.

We favor some form of Risk Based Capital and believe it can benefit our industry. However, we do not believe the proposed version is in the best interest of credit unions like UNCLE and for the industry as a whole. Our industry performed much better than banks during the recent economic downturn and today, is healthy and strong. The proposal would have an adverse effect on approximately 1,000 credit unions such as UNCLE by requiring them to raise up to \$4 billion in additional capital. Other concerns are as follows:

- Your agency would assume additional authority to impose even higher capital requirements on individual credit unions that could exceed even well-capitalized level requirements
- Credit unions would be required to subtract goodwill from net worth when calculating their risk based capital requirements
- The National Credit Union Share Insurance Fund 1% deposit would be ignored in the risk-based capital calculation
- The timeline to phase in any change of this magnitude would need to be longer than what has been proposed
- A number of the risk weightings, especially for member business loan and mortgage concentrations, as well as for CUSO investments, do not appear to be properly calibrated for credit unions

We appreciate your agency taking our comments into consideration and believe with appropriate revisions, a proposal for Risk Based Capital can be created that provides a win for all stakeholders (Members, Credit Unions and the NCUA). Once again, we want to thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Sincerely,

Harold Roundtree, Preseident/CEO
2100 Las Positas Ct
Livermore, CA 94551