

From: [Judith Kehres](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Friday, May 23, 2014 12:40:53 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Fairleigh Dickinson University FCU which serves multiple SEG's. We have 2000 Members and \$12.5M in assets. FDUFCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

While FDUFCU is a small credit union and will not be directly affected at this time, all credit unions are affected indirectly. This proposed rule will force larger credit unions to charge higher interest rates and fees and pay lower rates on deposits. This will cause reputation risk for all credit unions. For years, credit unions have survived by differentiating themselves from banks using the arguments of lower costs. This proposed rule will eliminate that argument. In addition, larger credit unions may no longer be in the position to help smaller credit unions and the unity that credit unions currently have can be in jeopardy.

This rule is not necessary and can cause damage to the entire credit union movement. Credit unions survived incredibly well throughout the financial crises of the past few years with the current definitions of capital adequacy.

I have a major concern with giving individual examiners the power to impose higher capital standards on individual credit unions. I have been in the credit union movement for many years and have had numerous examiners. My experiences showed me that Examiners have very different opinions on almost every aspect of an exam. If it were not for the structure of NCUA standards, credit unions would be consistently changing strategies depending on what the current examiner deems appropriate.

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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