

From: [Kelly Waggoner](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Friday, May 23, 2014 5:30:52 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of El Reno RIL Credit Union, which serves Canadian County, Oklahoma. We have 3,600 Members and \$43,563,000 in assets. El Reno RIL Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Our Credit Union is currently classified as well capitalized and are holding strong even after the NCUSIF and TCCUSF assessments handed down. But under the RBC, we would be classified as adequately capitalized and forced to raise capital and come up with a plan of action on how to rectify this situation. Why? Because of this new regulatory burden you've placed upon my credit union. More credit unions than NCUA has indicated would be impacted as their net worth would fall to just barely over well-capitalized or adequately capitalized levels. So again I ask how his is beneficial?

Second, El Reno RIL Credit Union opposes the proposed definition of "complex" credit union. The proposal would define a "complex" credit union as ANY credit union with over \$50 million in assets. A credit union's products, investments and balance sheet should be included in assessment of the complexity of a credit union. There is nothing magical about \$50 million in assets; size alone does not make a credit union complex. NCUA has provided no justification for expanding the definition of complex credit union.

Lastly, the regulatory burden of the "Paperwork Reduction Act" is just amazing to me. As a small credit union, I do not have the time or money to spend 160 hours of work, which is the estimated time burden, to collect risk-based capital ratio data. This would place my job as Manager as focusing one single month's worth of work each year on RBC and not on managing this Credit Union and serving our members. We don't have the staff nor the funds to hire staff to meet this requirement. We already struggle to keep up with those things necessary to serve our members and protect their interest.

Credit unions need additional time to comply beyond this proposed 18 months. Basel III allows banks until 2019 to comply and we should receive a comparable compliance period as well.

I just don't understand the need for RBC...as the old saying goes, if it ain't broke don't fix it. We are NOT a bank, we are different, we do NOT need their banking regulations.

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

Sincerely,

Kelly Waggoner
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