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Gerard Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Dear Mr. Poliquin,

On behalf of People's Credit Union, I would like to comment on the NCUA's proposed risk based capital rule. I do appreciate the work and efforts that NCUA has invested in communicating the details of this proposal through e-mails, postings and webinars, and I appreciate the opportunity that NCUA has offered to express our comments and concerns about the negative impact on credit unions based on the proposed rule.

People's Credit Union is a state chartered credit union operating six (6) branch offices serving approximately 30 thousand members throughout Rhode Island, southern Massachusetts and eastern Connecticut. As of December 31, 2013, the Credit Union assets were \$379.8 million. Loans outstanding to members totaled \$298.6 million, representing a 3.8% increase from the previous year. Member deposits totaled \$315.2 million, representing an increase of 4.6%. Our member's equity also increased 4.0% to \$40.7 million. The Credit Union's regulatory capital ratio increased to 11.33% remaining "well-capitalized" by current regulatory standards. Board and Management are committed to providing superior member service and helping members improve their financial health while remaining a safe, secure, and fiscally sound financial institution.

We have examined the proposed rule and have calculated our current and future capital levels based on the current and proposed Risk Based Net Worth (RBNW) requirements. Although People's Credit Union will remain "Well Capitalized", we are concerned with the negative impact of potential growth and our ability to manage our balance sheet to meet the needs of our membership in the future. I understand and support NCUA's initiative to evaluate the RBNW requirements to ensure a strong credit union system. However, as proposed, credit unions would be "managed" by this requirement, limiting growth in key areas with little or no regard for effective risk management by the credit union.

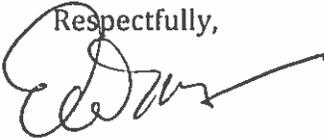
As a community chartered credit union in New England, mortgage lending and servicing is a core product for our membership. The risk weightings for these products as proposed appear to be structured to discourage credit unions from continuing to offer or grow this product line. People's Credit Union has been a lender of choice for mortgage products for several decades. The dedication of Board and Management to managing risk on our balance sheet has enabled us to continue to serve our members through mortgage lending while maintaining a strong capital position in an unstable economy.

A few years ago, NCUA initiated a positive change to the examination process. With the clarification of Document of Resolution and Examiner's Findings items, individual examiner's

personal opinions and emotions have been significantly mitigated in the examination process. In reviewing the RBNW Proposal, it appears that the examiners alone have the authority to determine what our credit union's proper capital level must be. This would significantly diminish the responsibility of our Board and Management to make critical financial judgments, determine the strategic direction of the Credit Union, and oversee policy which is a primary responsibility of cooperative financial institutions.

Thank you again for the opportunity to comment on the proposed regulation.

Respectfully,

A handwritten signature in black ink, appearing to read 'E Ford', with a long horizontal flourish extending to the right.

Ellen Ford  
President & CEO