

From: [Gregory Smith](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Tuesday, May 27, 2014 3:01:37 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Pennsylvania State Employees Credit Union (PSECU) which serves governmental employees and their families in Pennsylvania. We have 415,000 Members and \$4.25 billion in assets. PSECU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

While PSECU would not immediately be adversely impacted by the current proposed rule, we take issue with the proposed rule on several fronts.

First, we disagree with the risk weightings proposed in the rule. We also disagree with the rule's effort to control for so many types of risk. Given the current reporting system it would seem impossible to achieve one of NCUA's stated objectives of controlling interest rate risk, credit risk, market risk and all of the other risks contemplated in the rule.

Finally, there is the issue that our current capital system has successfully gotten the industry through some of the most challenging financial situations in the industry's history. I personally don't see the need to make the drastic changes proposed in the rule.

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

Sincerely,

Gregory A. Smith
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