

From: [Harry Metz Jr](#)
To: [Regulatory Comments](#)
Subject: comment: Proposal on Risk Based Capital
Date: Tuesday, May 27, 2014 12:21:58 PM

TO: Mr. Gerard Poliquin
Secretary to the NCUA Board

FROM: Harry L. Metz, Jr., CLE, NCCO
Assistant Manager
South Carolina Methodist Conference CU

SUBJECT: Proposal on Risk Based Capital

DATE: May 27, 2014

Dear Sir,

I appreciate the opportunity to comment on this proposed regulation on behalf of the South Carolina Methodist Conference Credit Union. The numerous comments issued by others in response to this proposed rule adequately address concerns shared by many. As a very small institution, it would initially appear this credit union would not be impacted by the proposed changes. Upon reviewing the proposed changes and the analysis of the comments posted, there is a concern that an unaddressed unintended consequence could have an adverse impact.

The reality of a small credit union is that in many circumstances the assistance and cooperation of other (typically larger) credit unions is needed. Limited financial resources and service options can be mitigated through cooperative efforts. In the past year this credit union was enabled in the meeting of a member's needs through a member business loan participation arrangement with a larger credit union. Without the assistance of this larger credit union, our member would have been compelled to obtain the loan by other means as the loan amount exceeded our capacity. The result of this joint effort is both credit unions and the member benefit from a very sound loan.

Our concern is that changes in the risk based capital calculation and risk weightings could diminish the willingness and/or ability of covered credit unions to participate in similar cooperative efforts in the future. This is particularly troublesome considering the limited justification for the proposed changes. We request the NCUA reconsider this proposed regulation and its potential impact on all credit unions and the whole of the credit union movement.

Thank you.