May 27, 2014

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

Re: RIN 3133-AD77

Dear Gerard:

I' m deeply concerned that the NCUA is considering Risk Based Capital rules as described. I have been with my credit union for thirty seven years. I have witnessed at least three major declines in the economy requiring fairly quick adjustments to remain a viable source for our members. The point is that we've always been able to come through the down turns typically stronger that we were before.

Once you put major focus on increasing capital, you inhibit growth. We've just been through a period of time that we had to rebuild capital. We had to strategically limit growth, which is difficult when you're providing great service. Creativity is hard to maintain when you have to constantly think about increasing capital. Credit Union boards and management may lose vision and foresight to develop products and services designed to serve members well. Members suffer when a higher price has to be placed on products and services they use, which is a result of the need to increase capital. Members should always benefit from credit union earnings and I'm not sure that they would value increased capital requirements. I'm afraid that the underserved will have nowhere to turn for affordable financial services, if credit unions believe it would be better not to take the risk of lending to them.

Credit Union strength and success comes from a co-operative model that includes CUSOs and merging with another when necessary. As I read through the proposed rules it seems as though all of this is forgotten. In fact, is seems like this proposal discourages credit unions to operate in the best interest of members. Please allow us to be regulated at credit unions and not banks.

Sincerely,
Karen A. Church, C.E.O.