

From: [Martha Powell](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Tuesday, May 27, 2014 2:11:37 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Yellowstone Federal Credit Union, which serves the Yellowstone National Park and Gardiner, Montana community. We have over 1000 Members and \$5 million in assets. Yellowstone Federal 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.

While we would not be immediately and directly affected by the proposal, there are several aspects we find troubling, and indicative of future overreach and excessive operational interference.

The proposal appears to be a sledgehammer attempt to fix a problem that does not exist and could too easily be extended far beyond its stated authority and application. The case by case higher capital requirements are of primary concern.

The risk weightings for nearly all facets of a credit union's operations appear unrealistic and would result in far too much NCUA interference in a credit union's operations, without taking into account a credit union's unique structure. We are not-for-profit financial cooperatives that do not issue capital stock, and must rely on retained earnings to build net worth.

By excluding the NCUSIF deposit and goodwill from the calculation of RBC ratios, restricting dividend payments, and demanding implementation in a scrambling hurry, NCUA denies credit unions the opportunity to make business decisions and develop a sound strategy for the future.

If the RBC system needs reworking, then design a system for credit unions, under the authority Congress has granted, not a massive overhaul that tries to force us into the mold of banks, and could too easily do more harm than good.

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

Sincerely,

Martha Powell, President
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Gardiner, MT 59030