From: Stacy Tallent
To: _Regulatory Comments
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Tuesday, May 27, 2014 11:40:07 AM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Health Center Credit Union, which serves Georgia Regents University Faculty, Students, Staff and Alumni. We have 7,654 Members and $49,696,000 in assets. We appreciate the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

How would your credit union be affected by the proposal? There would not be any immediate impact on our credit union as we are just under the $50 million threshold. In the long run, however, i believe we will be impacted by overly burdensome capital requirements.

Do you agree this new proposal is necessary? I do not believe this proposal is necessary, primarily, because the credit union industry has demonstrated that our capital reserves were sufficient to weather the worst recession in our history.

Do you agree NCUA should be able to impose higher capital requirements on credit unions on a case by case basis? Absolutely not! I think this kind of authority will only lead to abuse, misuse, and unfair treatment of the credit union impacted.

Should the NCSUIF deposit be excluded from the calculation of RBC ratios? No it should not be excluded. I believe it is a capital reserve just like regular reserves and undivided earnings and should be counted.

Do you agree with NCUA's implementation time line? If not, how much more time should credit unions be provided? I do not agree with the timeline, i think it should be much longer possibly 3-5 years at a minimum.

Summary of your position:
I think NCUA needs to rethink this proposal which will have a major impact on credit unions' ability to serve their members. The proposal is attempting to treat credit unions like other financial institutions, however, it does not address supplemental capital which is available to those institutions. Current capital requirements have been sufficient and NCUA has not demonstrated that stricter requirements are needed. The ability of an examiner to recommend higher capital on an individual basis is a slippery slope to allowing examiners to customize other requirements on credit unions based on their own biases or preferences. This could become a compliance nightmare as credit unions begin to manage their credit unions to the examiners expectations instead of to the service of their members.

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

Sincerely,

Stacy A. Tallent
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