

From: [Lynn Morrison](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk Based Capital Comment
Date: Tuesday, May 27, 2014 4:07:09 PM

Dear Secretary of the Board Poliquin,

SunWest Educational Credit Union holds around \$110,000,000 in assets and serves approximately 11,000 members, most of them employed in the educational arena in Pueblo, Colorado. We appreciate the opportunity to provide comments to the NCUA on the proposed rule for Risk Based Capital.

While we fall within the new capital guidelines as a “Well Capitalized” institution, we perceive this rule to be more strict than required based on credit unions’ ability to withstand the recent recession and historically low interest rate environment . The abbreviated implementation period will make it difficult for those credit unions who must raise capital to stay in compliance.

While we believe that Risk Based Capital is necessary, we feel that a more reasonable level of regulation should be applied. Basel II was initially published in June 2004 and regulators have had a much longer period of time to implement this program.

We also disagree with an individual examiner’s discretion to determine an appropriate level of capital for an individual credit. We oppose the idea that all credit unions over the \$50 million threshold need to be classified as “complex”. Some small credit unions choose to take on more risk than other larger institutions. That doesn’t necessarily mean that regulations should be imposed “across the board” as if every credit union held the same types and amounts of risk.

Thank you for allowing us the opportunity to submit comments on the proposed Risk Based Capital regulation.

Sincerely,

Lynn E. Morrison
President/CEO