CENTRAL CITY
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May 20, 2014

Mr. Gerald Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Comment to Proposed Prompt Corrective Action:
Risk-Based Capital Rule RIN 3133-AD77

Dear Mr. Poliquin:

Thank you for the opportunity to comment on the proposed Risk-Based Capital Rule. I am writing this letter on behalf of Central City Credit Union, which serves members in central Wisconsin. We currently have over 23,000 members and assets of $210 million. Should this Rule go into effect as it is currently being proposed, it would significantly impact our Credit Union in the future in terms of growth and service capabilities.

We have always felt it our privilege to provide a variety of lending products to the members and communities we serve; however, this Rule would substantially diminish the mortgage and business lending opportunities available to us, our members, and area communities by setting higher risk weights and hence higher capital requirements. This requirement will reduce the number of products we are able to offer and make it very difficult, if not impossible, to offer affordable loans to our members.

I understand that the Risk-Based Capital Rule proposal attempts to model the Basel III requirements for community banks. What I do not understand is why the requirements for credit unions are significantly more stringent in the loan products where credit unions have made such a positive impact in so many communities – mortgages and business lending. It seems contrary that although credit unions remained strong through the most significant economic downturn in over 80 years, the credit union industry is now being asked to abide by stricter rules and requirements than banks, which had such a major role in the downturn.

When the Basel III rule was proposed, banks had a much longer period of time to transition to the new requirements, which I would also suggest be considered in this proposed Rule for Credit Unions. It is unreasonable to expect credit unions to accomplish what would be necessary to remain in a wellcapitalized position and raise enough capital in an 18-month period. Community banks affected by the Basel III rule were given several years to make that transition, and it seems only fair that credit unions are given equal time to comply.

My final concern is the arbitrariness of the proposed Rule that allows examiners to require higher capital requirements for credit unions as they deem appropriate. This is a very subjective practice that is not healthy for the individual credit union or the industry as a whole. More objective parameters should be in place to allow examiners to effect this requirement on credit unions.

Please consider making significant changes to the Risk-Based Capital proposal to avoid unintended consequences. The credit union industry is strong and will continue to be so, but this proposed Rule as written constricts the industry's ability to serve its members and communities, which are the motivation for our existence – people not profit. Thank you for your consideration.

Sincerely,

Darlyne Keller

Darlyne J. Keller
VP-Administration/Human Resources