



TAYLOR CREDIT UNION—

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May 16, 2014

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

RE: Comment to Proposal Prompt Corrective Action: Risked Based Capital Rule RIN 3133-AD77

Dear Mr. Poliquin,

I am writing on behalf of Taylor Credit Union, which serves Taylor, Clark, Price, Lincoln and Marathon counties in Wisconsin. We have 7,560 members and \$51,452,000 in assets. Taylor Credit Union appreciates the opportunity to provide comments to the NCUA on its proposal rule, Prompt Corrective Action – Risk Based Capital.

At this point, based on the structure of our balance sheet, the rule will not have a negative effect on our credit union, but as we continue to grow it will place limitations on the types of loans we can offer to our membership. We have mortgage and business loans in our portfolio and plan to continue offering these loan types. When rules are implemented by NCUA with the statement that “it will affect few credit unions” this is a short term statement because there is no way to predict the future. All rule changes will directly affect all of the credit unions at some point in time.

I feel it is not necessary for NCUA to make these dramatic changes to the risk based capital rule. The current capital rule is clear and sets capital limits for credit unions that are already substantially higher than the banking industry. The additional ability for examiners to impose higher capital requirements on credit unions on a case-by-case basis would give examiners far too much discretion and create too much uncertainty for us. This could put a “well capitalized” and well managed credit union into a downgraded capital position immediately causing undue hardship. This is an unfair way to be regulated.

In closing, I would ask that the implementation timeframe for any risk based capital changes be lengthened to five or more years to give credit unions sufficient time to make necessary adjustments. The unrelenting new and modification of regulations is causing more than enough added pressures.

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

Sincerely,

Debra A. Woods
President/CEO

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