



Westminster Federal Credit Union

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May 21, 2014

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

RE: RIN 3133-AD77

Dear Mr. Poliquin and Members of the Board:

Westminster Federal Credit Union ("WFCU") is a credit union with assets under \$50 million. Thus, this proposed RBC rule doesn't presently affect us but we do appreciate the opportunity to comment to the National Credit Union Administration ("NCUA").

WFCU believes that NCUA efforts to reform the current capital and net worth rules are justified. However, we believe the proposed RBC rule does not adequately address the larger credit unions' capital needs (and we assume eventually our size credit union) and is harmful to credit unions and, ultimately, our members.

We urge the NCUA to reconsider its proposal for the following reasons:\nCredit Unions can only increase capital via retained earnings while banks can raise capital in the open markets.
The new requirement for risk-based capital ratios will force credit unions to seek income at the expense of our members or/
Credit unions could meet the capital requirements by manipulating/shrinking our balance sheets. But shrinking our balance sheets would cause us to possibly restrict loans to our members as we are required to monitor our concentration of assets. (i.e. limit 1st mortgages).

As we stated, Westminster FCU agrees with the NCUA that capital reforms are necessary and appropriate, and we appreciate NCUA's efforts in this matter. However, for the reasons stated above, WFCU feels strongly that the current proposal puts credit unions at a significant competitive disadvantage with banks, does not accomplish its stated purpose, does not comply with the statutory requirements of the Federal Credit Union Act for comparability with FDIC rules implementing Basel III, and will ultimately harm credit union members and consumers by forcing credit unions to restrict or eliminate important lending programs. WFCU respectfully requests that NCUA abandon the proposed rule in its entirety, and recommends seeking credit unions' input through the process of advanced notice of proposed rulemaking. At the very least, we urge the NCUA to adopt a rule that does not depart from the FDIC-Basel III regulatory scheme except where it is necessary to reflect credit unions' unique differences.

Sincerely,

John C. Burke, CEO
Westminster Federal Credit Union
