



May 20, 2014

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

Dear Mr. Poliquin:

I am writing on behalf of Great Erie Federal Credit Union, a \$72 million asset credit union serving more than 7300 members in the Orchard Park region of Western New York State. Great Erie FCU appreciates the opportunity to provide our comments to the National Credit Union Administration (NCUA) on the proposed rule regarding Prompt Corrective Action, Risk Based Net Worth.

Great Erie Federal Credit Union believes that the current risk based capital framework is sufficient to mitigate the risk to the National Credit Union Share Insurance Fund (NCUSIF). We do not believe there has been sufficient justification for a new risk based capital standard and that the Agency is underestimating the true impact to the credit union industry. While Great Erie FCU would exceed the well-capitalized standard under the proposed rule, it will make us reevaluate a potential opportunity to finance a food cooperative in our area which would create jobs and further the cooperative model. This is exactly the opposite of the mission of credit unions. NCUA should be looking for ways for credit unions to serve their membership not to impede that ability to serve.

The current proposal places a great deal of weight on the concentrations credit unions have especially in the areas of member business lending and real estate lending. Concentration risk should not be the lone factor considered when assigning risk weights. We believe other factors should be considered when determining risk-weights specifically operational, credit and reputation risks. The weights should be a true reflection on the risk a credit union poses not just the sheer volume of loans in its portfolio.

Finally, the proposal's risk weightings for corporate credit union perpetual capital, CUSO investments and investments of 5-10 and over 10 years in maturity assume, incorrectly, that they are inherently more risky. We recommend the Agency review the risk-weights assigned to

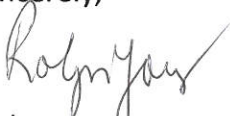
Know-how to yield a great life.

these categories and determine if the risk-weighting is supported by the actual risk of these assets.

In conclusion, Great Erie Federal Credit Union believes the current risk based net worth regulation is sufficient to mitigate the risk to the NCUSIF. If this rule is finalized as it is currently composed it will require us to reevaluate investing in a cooperative endeavor in our community which would be counterintuitive to the mission of credit unions. We ask the NCUA to reconsider its approach and revise the proposal, taking into account the concerns expressed above.

Thank you again for the opportunity to comment on the proposed rule.

Sincerely,

A handwritten signature in black ink, appearing to read "Robyn Young", written in a cursive style.

Robyn Young

CEO

Great Erie FCU