

May 12, 2014



1201 N. 24th • Quincy, IL 62301

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

RE: PCA – Risk-Based Capital

Dear Mr. Poliquin:

We want to thank you and the board for giving credit unions the opportunity to comment on the proposed risk based net worth rule. While we are in favor of the NCUA taking steps to address deficiencies in the industry's current risk based net worth approach, we believe there are numerous changes needed to the proposed rule.

We believe we are already over regulated, making it difficult to compete against other types of financial service providers. Credit unions overall have done business correctly and continue to do so. It does not make sense that we would have higher requirements than other types of financial providers. The new proposal will make it hard to attract young, hungry professionals into the credit union market. These individuals will go where the business is easier to grow.

We believe many of the recent mergers taking place among small credit unions is due to not enough risk taking. The new proposed rule would cause more credit unions to be even more cautious. The credit unions taking risks are also the most successful credit unions. Excluding corporate credit unions, credit unions investment losses have been very minimal.

For most of us, today's credit unions are not the same as they were 20 years ago and do require much more diversity in products, knowledge, monitoring, and technology. The CUSO's provide many services to many small credit unions and the current proposal could make it impossible for some credit unions to offer certain products and remain competitive.

We do not see anything in the proposed rule that breaks out the loan categories by LTV or other risk assessments. Although this becomes more difficult for the smaller credit unions, we need proper training and analytic software to monitor different pools of loans.

Sincerely,

Teri McEwen
President/Manager
Members First Community Credit Union

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