



**FULTON COUNTY
FEDERAL CREDIT UNION**

May 21, 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 this letter to express my opposition to NCUA's proposed risk-based capital regulation. As the CEO of Fulton County Federal Credit Union, I am concerned that NCUA is proposing a flawed RBC requirement at time when there are so many other regulations that have to be implemented. Some RBC reform could help credit unions but only if this proposal is substantially revised.

NCUA has not demonstrated the need for additional regulation. In the preamble to this proposed regulation, NCUA acknowledges that the "vast majority" of credit unions are well-capitalized but is concerned that it lacks the powers necessary to prevent future losses; however, the conservatorship of a hundred credit unions is by no means a systemic failure. The vast majority of credit unions have demonstrated that they are well run and well capitalized. All credit unions shouldn't be subject to a different capital regime just because some credit unions failed during the Great Recession.

Even though Fulton County would remain a well-capitalized credit union, its investment and lending decisions are also directly impacted by this regulation. NCUA should not assign higher weightings to loans just because they exceed three or five years. Credit unions should also not be discouraged from investing in CUSOs, at least absent proof that a credit union is not being run properly. Unfortunately, NCUA wants CUSO investments to be considered the riskiest investments a credit union can make.

I know that some credit unions favor expanded use of supplemental capital as a means of mitigating the potentially negative impact of enhanced RBC requirements. I disagree. The expanded use of supplemental capital could potentially erode the mutual structure that makes credit unions unique. The credit union industry is currently safe and sound. It does not need secondary capital or RBC reform, at least as it is being proposed by the NCUA.

Sincerely,

Timothy R. Myers
President / CEO