From:	Eric Jones
To:	_Regulatory Comments
Subject:	Prompt Corrective Action Risk-Based Capital Comment Letter
Date:	Tuesday, May 27, 2014 5:10:07 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Kansas City Credit Union, which serves anyone who lives of works in Jackson or Clay Counties. We have 6,550 Members and $28,311,337 in assets. Kansas City Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.
Although our Credit Union does not meet the threshold for the proposed RBC changes and according to the NCUA website calculator our risk rating would continue to be well-capitalized, our future is to reach the $50 million in assets. The proposed RBC changes would negatively affect our ability to service our Members in the future. The proposed RBC changes limit growth in loans which is the main source of income for credit unions.
Credit Unions came through “The Great Recession” relatively strong and with no bail out from the Federal Government or Tax Payers, which validates current regulations and the management of credit unions are strong. If there needs to be change, let’s improve on current regulations and not make drastic changes.
There are a myriad of regulations that Examiners currently have to regulate credit unions. I am not in agreement with Examiners arbitrarily imposing capital requirements on credit unions on a case by case basis. There is enough interpretation in current regulations without adding more uncertainty.
I am a supporter of risk rating but not the ones in the current proposal. I prefer to see risk ratings based on industry historical data. I believe that is a fair measure.
I would like to see the NCSUIF deposit be counted in our RBC ratios. Credit Unions have no access to this deposit behaving like equity instrument.
I would like to see goodwill included in the RBC numerator. Goodwill is accepted according to Generally Accepted Accounting Principles.
I do not agree with the NCUA restricting dividend payments, there are other avenues that can be used to improve profitability.
I do not agree with an 18 month timeline for implementation. The implementation period should mirror the banking community.
I am not in favor of the current RBC changes because it will negatively impact our ability to serve our Members. Any changes should be based on historical data and should not negatively impact our ability to serve our Members. There is an opportunity to make changes that will help credit unions thrive in the future.
Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Sincerely,

Eric D. Jones, CEO
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