

May 27, 2014

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

Sent via E-mail to: regcomments@ncua.gov

Re: Dakota Plains Credit Union comments on NCUA Proposed Regulation on Prompt Corrective Action; Risk-Based Capital

Dear Mr. Poliquin:

Dakota Plains Credit Union is a \$60 million dollar credit union headquartered in Edgeley, ND and serves over 3,900 members with three locations in rural North Dakota. We are a small credit union by some standards, but represent the only competition in the communities we serve.

Our loan concentration consists of fifty percent agriculture related loans, and fifty percent consumer loans, with a small portion in residential mortgages. Our growth over the years is largely due to the agriculture community in which Dakota Plains Credit Union has served for over seventy-three years.

Without any exaggeration, the NCUA proposed regulation on Risk-Based Capital is deeply concerning. The future of this credit union is now dependent on the outcome of this proposal. In the past two years, Dakota Plains Credit Union grew \$18 million in loans, primarily Agriculture loans due to demand. Under the new rule that growth would be prohibited because of the proposed calculation of Risk Based Net Worth greater than 15%, therefore, restricting our members and potential members we serve in our field of membership, from lending resources that we are very capable of doing.

Dakota Plains Credit Union cannot survive in the communities we serve without serving the Agriculture community. Each community we serve is less the 850 residents, and these communities are dependent upon agriculture.

However, there are other issues within the NCUA proposal that are also concerning:

- 1) Why would an examiner have the discretion to increase the RBC requirements?
- 2) Why is this proposed rule so much broader in scope than Basel III?
- 3) Why the change in the definition of Complex Credit Union?

I see no justification in any of these questions. That being said, we also feel the implementation period is far too short. Perhaps a five year or even a seven year (to match the FDIC's implementation for banks under \$15 billion in assets) would be a better choice.

If implemented today, Dakota Plains Credit Union would drop to Adequately capitalized. However, we would be required to increase our capital by \$1,500,000 just to become Well capitalized. It has now become confusing in determining the benefit to our members and the communities we serve under such penalty by our regulated.

The credit union industry has just come through the worst financial crisis in decades and did it unscathed, and prior to that we weather our own bail out from our Corporate Credit Unions without federal dollars and we survived. So please explain the intent of these proposed changes. While RBC may be a good concept, we feel as written this proposal will do more harm than good.

Michael Reishour
President/CEO
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