

From: [Regan Kovacich](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Tuesday, May 27, 2014 5:00:09 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Brokaw Credit Union, which serves a five county area in Central Wisconsin. We have over 7,000 Members and about \$47,000,000 in assets. Brokaw 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.

This proposal would adversely effect Brokaw Credit Union because the rates for loans are about as low as possible and still have income to cover cost of business. The amount of compliance that has come about has created a strain on Credit Unions in personnel and the bottom line. Cutting expenses, holding the cost of fees down, and providing services to our members continue to be our focus.

The proposal of a prompt corrective action risk-based capital is NOT necessary given the history of the Credit Unions coming through the 'great recession.'

If NCUA should be able to impose higher capital requirements on credit unions on a case by case basis, what would the standards be? How is the auditor going to be held accountable for the decision? How can the Credit Unions argue the decision equitably - will the case be given to another outside authority? Would there be any backlash if the decision goes into the appeal process? This case by case decision by the auditor is too irregular, very unprofessional, and can be totally arbitrary.

The NCUA should NOT be able to restrict dividend payments. The Credit Union is members, run by members, and for the members. This would be a new level of interference.

The Prompt Corrective Action Risk-Based Capital Proposal is NOT necessary, and would adversely effect Credit Unions. Credit Unions have come through the recession and are in a better position. The new proposal would create more regulation that is not clearly defined causing more uncertainty and confusion which then would require more information letters explaining the process which is then open to interpretation and so it goes... on and on. The Credit Unions are now under so much regulation, that the focus of doing day to day business with our members is being threatened.

We will continue to provide services for our members and community here at Brokaw Credit Union.

Thank you for the opportunity to comment about this proposed rule and for considering some of my views on risk based capital requirements.

Sincerely,

Regan Kovacich, Director/Chair
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