State Employees Credit Union
PO Box 2927
Jacksonville, FL 32232

May 28, 2014

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

Re: Risk Based Capital Proposal

Dear Mr. Poliquin:

I am writing on behalf of State Employees Credit Union in Florida. We serve over 20,000 members and have $300 million in assets. Our 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.

The need for credit unions to be strong financially has our full support. However, since credit unions can only build capital by retaining earnings, this proposed rule could severely limit the ability of credit unions to take advantage of growth opportunities. Credit unions should not be subject to arbitrary capital requirements that may counteract a valid business strategy. In fact, we believe the proposal could actually serve to weaken our industry in the future because as we grow slower, we will not be able to innovate as fast as our competitors and we will become less relevant in the consumer market place. An unintended consequence of this proposal is that it could actually serve to weaken the strength of our insurance fund not strengthen it.

Some of our credit union's concerns include:

- The NCUA would have authority to impose additional capital on a case by case basis. The proposal as drafted would not preclude examiners from requiring additional capital.

- With the exception of consumer loans, the risk weights as proposed do not reflect the historical risk profile of credit union's mortgage and small business loans.

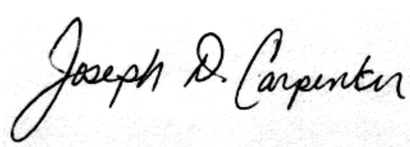
- All Credit Union Service Organizations would have the same capital requirements regardless of the CUSO's purpose or true risk to its owners.

- The proposed rule would only allow eighteen months for credit unions to comply. Credit unions that would need to raise capital ratios as a result of the regulation would quickly have to move to sell assets at "fire sale" prices, or improve earnings which at a financial cooperative would logically happen by reducing dividend rates, increasing fees and lending rates, or cutting expenses by reducing services to members.

We urge the NCUA to review the comment letter submitted by the Credit Union National Association today that outlines many additional concerns with the proposal in great detail.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Sincerely,



Joseph D. Carpenter
Interim CEO