From:	Kathleen Kanipe
To:	_Regulatory Comments
Subject:	Prompt Corrective Action Risk-Based Capital Comment Letter
Date:	Wednesday, May 28, 2014 11:31:38 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Parish CU, which serves he Catholic Diocese of Toledo, Ohio. We have 2000 Members and $14 Million in assets. Parish 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.

History, both recent history and long term, have shown that this proposed rule is not necessary. The credit union movement has just come through a very difficult financial environment stronger than the banking industry because credit unions are overall much more careful with our members savings. While bankers are often rewarded for risk taking, credit union CEOs and Boards of Directors are encouraged and rewarded by their members for being careful.

That said, each credit union balance sheet is unique to that credit union. The Board of Directors of each credit union determines the appropriate mix of loan products and investments. Credit unions exist to provide a safe place for members to save and from that pooled savings to make loans to members. Of course, loans have a higher risk than insured investments but we are a credit union, not a savings club.

Allowing an examiner to impose higher capital requirements on credit unions on a case by case basis puts too much power in the hands of an individual examiner. Unfortunately, personal opinions and personality conflicts have been shown to exist. In fact, the NCUA instruction to examiners on the proper use of Documents of Resolution was the result of credit union concerns that examiner suggestions were being listed as DOR in many instances.

Risking weights as proposed show credit card loans and other unsecured debt to be lower risk than mortgage loans. This does not take into account factors such as the size of the mortgage loan or the loan to value of that mortgage loan. The experience of my credit union has been the opposite. A $25,000 mortgage loan with a loan to value of 25% certainly has less risk than credit card debt. This proposal would rank the mortgage loan with a higher risk.

The proposed risk based capital rule is unnecessary and ill designed.

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

Sincerely,

Kathleen M Kanipe, Director
619 W 1st St
Woodville, OH 43469