

From: [Melinda Lopez](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 28, 2014 10:20:06 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of APCO Employees Credit Union, Birmingham, Alabama, which serves various SEGs, including Alabama Power, Southern Company, various local governments, as well as many other groups. We have over 69,000 Members and over \$2.4 billion in assets. As chairman of the board, APCO Employees 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.

Obviously, these new regulations would require our credit union to increase its capital level, which is currently well capitalized over 9%. In the context of these past few years, I understand the importance of being well capitalized and appreciate the risk based focus.

The major problem I have with the proposed regulations is twofold: 1) the level of capitalization required, and 2) the "arbitrary" authority to impose even higher capitalization requirements on individual credit unions beyond the new well capitalized requirements. In this environment, I think it is important to mitigate individual/subjective judgment on the adequacy of capitalization on a case by case basis.

I do agree with a risk based weighting, particularly on longer term investments and mortgages. These unknowns of a long term interest rate environment must be considered in a risk based approach.

In sum, I am in favor of changes that follow a risk based approach, but the implementation needs to be as objective as possible and within reasonable limits.

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

Melinda Lopez

Sincerely,

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