

From: [John Graham](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 28, 2014 1:00:09 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Kentucky Employees Credit Union which serves public sector employees in Kentucky. We have 9,425 Members and \$67.9 million in assets. Kentucky 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.

At this point, this proposal would not have much impact on our credit union. However, it could harm us down the road as we continue to expand products and services in response to requests by our membership.

Based on the strong capital levels of the Movement, I question whether this proposal is necessary. Yes, complex credit unions should have more capital but I don't feel this proposal is the proper method of doing it.

I have concerns about NCUA being able to impose higher capital requirements on credit union on a case by case basis without structure in the amount of capital that would be required. I think it would be difficult for the agency to be consistent without that structure in place.

I definitely am opposed to examiners having the authority to go in an credit union and require more capital. This should be done at the Regional Director level or higher with a great deal of justification.

Considering a credit union can only build their capital by earnings, I think more time is need for implementation of such a program by NCUA. I think supplemental capital would be needed in order for some credit unions to meet this ambitious time line.

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

Sincerely,

John Graham
100 Moore Dr
Frankfort, KY 40601