

May 28, 2014

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

RE: Comments on Proposed Rule: PCA - Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

Introductory paragraph:

I am writing on behalf of the CRC Federal Credit Union (CRCFCU) which serves state correctional employees and their families in Southern California. We have over 2,000 Members and over eight million dollars in assets. We have been a viable and financially strong credit union for over 50 years. The CRCFCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action – Risk-Based Capital. We recognize the bill impacts CU's with much larger asset totals, however, we believe that some aspects of the bill could potentially impact smaller asset size CU's in the future if not addressed today.

Specifically, it is the CRCFCU position that the HR 719 Risk-Based Capital proposal is not necessary as it is currently written. We believe that it sets higher risk weights that may require increased capital requirements on our loans and other long-term investments. Instead, we believe that NCUA should consider imposing higher capital requirements on credit unions on a case by case basis instead. Some more time considering alternative risk weight ratios may prove to be a better solution for all credit unions.

As you are aware, credit unions nationally remained well capitalized during the 2008 severe economic downturn. CU's, in fact, historically, have shown to be at their strongest when members need them the most. CRCFCU is proud during tough economic times in California, to have honored state IOU paychecks for its members. A feat even more remarkable because of our small asset size. We support NCUA's effort to ensure a sound Risk-Based Capital position among CU's. However, HR 719 is not the best solution to meet that effort and instead may cause untenable capital requirements. More time is needed to study the impact of risk weight ratios.

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

Sincerely,

Richard Alvarado
Vice-Chair
C.R.C. FCU

cc: CCUL