From:	Sandra Hollenberg
To:	_Regulatory Comments
Subject:	Prompt Corrective Action Risk-Based Capital Comment Letter
Date:	Wednesday, May 28, 2014 1:10:06 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of YS Federal Credit Union which serves those who live, work, worship or go to school in Greene County, Ohio. We have about 2,500 members and $16million in assets. YS Federal 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.

With capital requirements already in place for credit unions (7% to be considered well-capitalized), and with each credit union being unique in it's financial condition and business strategies, adding another layer of RBC requirements to credit unions will impact the the flexibility and ability to provide the unique services offered to members and communities. Community bank standards are considerably less than those of CUs already, and adding additional restrictions for capital will weaken the ability for CUs to continue their momentum in seeking market share compared with other financial institutions. Credit Unions reach a special niche in providing not only quality financial services, but education and outreach not provided by other financial institutions. Over-burdening the financial capacity of credit unions will reduce the amount of impact currently provided in outreach, including the help that large credit unions often provide to smaller credit unions who also reach a special niche.

In addition to existing Capital Guidelines, other risk absorption occurs, for example, through the allowance for loan loss. In effective examinations, NCUA has been able to single out specific credit unions needing interception due to risk burden affecting financial condition. Adding additional RBC requirements is an added burden to credit unions and will impact members at a most crucial time of economic recovery.

Credit unions have proven their financial stability during the recession when other financials have not performed as well. The new RBC proposals place much higher requirements than other non-credit union financial institutions...why? At times when the FDIC struggled, NCUSIF remained strong with the existing PCA guidelines.

I understand and appreciate the role of the NCUA. However, the new RBC proposal establishes a new "risk" to credit unions...ironically from the NCUA who is charged with over-seeing the supposed "health" of Federal Credit Unions. New RBC rules will likely negatively impact the credit union industry's ability to surpass other local financial institutions in servicing their niche with quality services and education to members and their communities.

As CEO of YS Federal Credit Union, I thank you for the opportunity to comment on this proposed rule.

Sincerely,

Sandra Hollenberg, CEO
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