

From: [Scott Sylvester](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 28, 2014 2:40:52 PM

Dear Secretary of the Board Poliquin,

Dear Secretary of the Board Gerald Poliquin, The purpose of my letter to you today is to express concern over the proposed Prompt Corrective Action - Risk-Based Capital rule.

I am writing on behalf of Consumers Credit Union which is community chartered in West Michigan. Our \$500 million credit union serves 55,000 members.

If the new rule were to take affect it will hinder our ability to serve consumers and small businesses in West Michigan. During this time of slow economic recovery in Michigan large banks choose not to lend to small businesses. Consumers Credit Union is providing loan and deposit services now and we are positioned for continued growth with our member businesses. This rule will inhibit our ability to grow with our successful small business members.

If this rule is adopted by the NCUA we will be faced with the challenge of increasing our already current healthy capital buffers while we grow Member Business Lending and Mortgage Loans, two areas of significant need in West Michigan as our communities strive for economic recovery. Because we do not have access to supplemental forms of capital, raising this additional capital through retained earnings will be borne by our members at a critical time of recovery.

The impact of the proposed rule would be particularly damaging to Michigan. With the flight of major banks from our state, the citizens and small businesses of the state have turned to credit unions to provide financial services. Additionally, as a Low-Income Designated credit union, Consumers is serving and seeking to serve households in need of mortgages at a time when banks seem only interested in financing for the best of the best. Our \$450 million loan portfolio is very high quality with a 2013 loss ratio of 0.5% of delinquency of 0.3%. Regulatory headwinds in the mortgage lending arena are already overly burdensome. Home owners will suffer from any pullback by credit unions associated with this rule change. If this rule change is adopted some credit unions will be forced to curtail mortgage lending.

In summary, this proposed rule could dramatically affect the future growth of Consumers Credit Union, and by default, our members and our community. Now is the time to create opportunity for Michigan's economy. This rule change would limit opportunity. This rule would unfairly limit opportunity for our business members seeking to finance growth. It also would limit our mortgage growth. Members seeking to finance homes for their families will have fewer options as a result of this rule.

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

Sincerely,

Scott Sylvester
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