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May 27, 2014

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

Re: PCA- Risk-Based Capital

Dear Mr. Poliquin:

Thank you for the opportunity to comment on the proposed risk based net worth rule. Financial Plus Credit Union is a \$230 million federally insured Illinois chartered credit union with over 24,000 members with three offices located in north central Illinois. We are a community credit union comprised mainly of middle income blue collar workers.

Financial Plus Credit Union is currently well capitalized, with total capital of 13.49%, so the immediate effect of any changes in Risk Based Capital will be negligible. However, we are concerned as to the long range impact of this proposal. We are concerned that the escalating risk factors could be roadblocks to credit unions looking to expand products and services to members. We are also concerned that the risk weighting requirements in several instances are higher than those for other financial institutions, when in fact credit unions typically have lower loss ratios than other financial institutions.

We are also concerned as to the time allowed for the proposed roll out period. In comparison to the time period allowed for other institutions, 18 months seems unreasonable. In conjunction with any proposal to require additional capital we would hope the Board would consider the need for credit unions to access capital through sources other than earnings.

The latitude given to regulators to require higher capital limits for individual credit unions is another concern. We believe the capital rule should be uniform for all credit unions. The regulator has many other methods to enforce actions against a credit union and effectively change the risk on the credit union's balance sheet.

We agree that the credit union movement would benefit from a well-planned out and balanced Risk Based Capital system. However, we do believe the current proposal is highly conservative and has the potential to inhibit a credit union's ability to compete. We urge the Board to consider the changes proposed by so many in the credit union industry and to provide a plan that will ensure the growth, success and soundness of the credit union movement.

Respectfully,

Timothy O'Donnell
President