

**Westfield Area****FEDERAL CREDIT UNION**

21 N. Portage St./P.O. Box 503

Westfield, N.Y. 14787

Phone (716)326-4200

May 27 2014

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

Dear Mr. Poliquin,

On behalf of Westfield Area Federal Credit Union, I am writing this letter in opposition to NCUA's risk-based capital proposal. Parts of this regulation will impact all credit unions regardless of their size.

This regulation could have the unintended consequence of making it more difficult for smaller credit unions to obtain cost-effective services within the industry. For instance, Westfield Area FCU relies on the corporate system for many of the transactional services a credit union of our size does not have the resources to provide on its own. NCUA's proposed 2.00 risk weighting for perpetual corporate capital retroactively penalizes credit unions that invested in the corporate and discourages credit unions that might otherwise have considered making such investments in the future from doing so. In addition, the proposed weighting does not reflect the safety of the new corporate system which is subject to much more rigorous oversight than the system was six years ago.

NCUA has also not explained the need the rule. The vast majority of credit unions are well-capitalized and have proved they can withstand even a Great Recession. Considering how many other new regulations credit unions have to comply with because of Dodd-Frank, and the fact that many well-capitalized credit unions with \$50 million in assets will see their capital position's reduced, there are issues more appropriate for the agency to be implementing.

I hope these comments will be of assistance.

Sincerely,

Charlene Eichelberger