



May 19, 2014

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

Re: Proposed Rule - Risk Based Capital (RBC)

Dear Mr. Poliquin:

I've been the Chair of the Municipal Employees Credit Union of Baltimore, Inc. (MECU) Board for almost 23 years now. During my tenure we've gone from a \$350 million dollar credit union with approximately 35,000 members to over a \$1.3 billion dollar credit union and over \$106,000 members. I, like all the members of the Board, are aware that financial services are rapidly changing. I have seen it change and to stay ahead of the curve, our Board meets twice a month. One meeting is dedicated to business activities, and the second meeting is dedicated to our education in all matters pertaining to the credit union movement. We learn about and stay abreast of changes in regulations that impact all consumers and pertain to how we operate and govern. All of these meetings provide us with the information and understanding that will keep MECU a safe and strong credit union working in the best interest of its members. With this in mind I am compelled to respond to the proposed Risk Based Capital Rule as it presently exists.

I am not opposed to reasonable capital regulation for it provides strategies for managing risk. I am concerned about this proposal in its present state because it seems to omit the costs of this RBC proposal to credit union members. As it exists today, this proposal could deter credit unions from offering member business lending services, mortgage lending programs and services and long term investments. We have 11 branches and 2 Student branches. MECU field of membership in within Baltimore City and encompasses persons who reside outside of the city as well. The ability to offer these types of services provides our members with options and allows us to better serve our communities. Credit Unions are not for profit with the central purpose of serving the needs of the members in their respective communities.

In closing, I have been serving as Chair through many examinations. I would be remiss not to comment about the current proposal which seems to provide "discretion" to change risk ratings. Using sound judgment is what I and all MECU Board members must do whenever decisions are made. The granting of "discretion" to change decisions without pre-set basis, is not typically an option. In its present form I think this type of "discretion" doesn't appear to be beneficial. Ask that you give thought to it opening the door for inconsistencies and subjective opinions.

Thank you for taking the time to read and review correspondence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Herman Williams Jr.", written in black ink.

Herman Williams Jr.

Chairman - MECU Board of Directors

cc: Deborah Matz, Chairman

Michael E. Fryzel, Board Member

Richard Metsger, Board Member

Honorable Elijah E. Cummings, MD District 7

Honorable Andy Harris, MD District 1

Honorable C A Dutch Ruppertsberger, MD District 2

Honorable John P. Sarbanes, MD District 3