



**DIRECTORS CHOICE**  
**CREDIT UNION** leading the way

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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

Dear Mr. Poliquin:

I am writing on behalf of Director's Choice Credit Union, a \$7 million asset credit union serving more than 700 members in Albany, New York. Director's Choice CU appreciates the opportunity to provide our comments to the National Credit Union Administration (NCUA) on the proposed rule regarding Prompt Corrective Action, Risk Based Net Worth.

Director's Choice Credit Union believes that the current risk based formula is working as intended and sufficiently addresses the need to regulate risks such as interest rate, concentration and operational.

Although our credit union will not be impacted by the proposed rule we feel there are a number of areas that the Agency should reconsider before issuing a final rule. We believe that the term of an investment should not be the only factor in determining the risk weighting for long-term investments. The proposed 150% weight for investments with a weighted-average life between 5-10 years and a 200% weight for those investments over 10 years should be reevaluated to include consideration for investment performance and credit union due diligence when deciding on an investment.

We also believe that corporate credit union capital does not carry the risk that would require a 200% risk-weighting. NCUA amended the corporate credit union rule after the corporate crisis to ensure that corporate credit unions would not pose a significant threat to the NCUSIF. Given that it does not seem reasonable that credit unions would have to be penalized for being members in corporate credit unions.

In conclusion, Director's Choice Credit Union believes that the current risk based net worth requirements under PCA are sufficient to regulate risk. If the Agency does intend to amend this rule we ask you reconsider your approach and revise the proposal, taking into account the concerns expressed above.

Thank you again for the opportunity to comment on the proposed rule.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kim Young', with a long, sweeping horizontal stroke extending to the right.

Kim Young

Director of Credit Union Services