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May 28, 2014

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

COMMENT ON PROPOSED RULEMAKING FOR PART 702

BY E-MAIL ONLY

Dear Secretary Poliquin:

On behalf of the members of Holy Rosary Regional Credit Union (HRCU) in Rochester, New Hampshire, please accept this letter of comment to the proposed rulemaking by the National Credit Union Administration (NCUA) relative to the risk based net worth (RBNW) found at 12 C.F.R. Part 702. HRCU is a state chartered community credit union serving those who live and/or work in New Hampshire. The credit union has assets in excess of \$200 million. As of April 30, 2014, loans stood at \$139 million with total membership of 18,515. Our regulatory net capital is considered well-capitalized at 8.68%.

HRCU appreciates the opportunity to comment on this proposed rule. We have used the NCUA calculator and have found our RBNW percentage to keep us in a well-capitalized position of 12.42%. Our credit union has worked hard over the years to serve the needs of our members. Doing so we have been able to maintain good earnings and steady growth. We are fiscally responsible and good lenders which is evidenced by our consistently low delinquency and net charge off rates.

Our concern is as we grow, add new services and expand loan offerings, further regulation of our capital requirements may limit our abilities to effectively serve our members. Based upon the proposed RBNW calculator, it will have an immediate impact with many other credit unions in well-capitalized positions that do an outstanding job serving the needs of their members. It is good to know that NCUA and many in the credit union industry here in New Hampshire and around the country are taking significant steps to work with you in formulating a revised proposed Part 702 that will be more

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representative of the strength and responsibility that credit unions work hard to maintain, while still keeping in the spirit of an RBNW plan. There is no question we all want to work together to maintain the safety and soundness of the industry. A plan that will take into account our already high capital requirements, our strong financial positions and as not for profits, the obligations we have to serve our membership.

We strongly urge you to work with CUNA, credit union associations, credit unions and other organizations to address the many concerns already brought before you specifically by CUNA. I look forward to working with our state league in addressing the new proposed rule and appreciate NCUA taking steps to work with us as the agency has many times in the past.

Sincerely,

A handwritten signature in black ink, appearing to read 'BFH', with a long horizontal line extending to the right.

Brian F. Hughes
President and CEO