

From: [Shay Santos](#)
To: [Regulatory Comments](#)
Subject: Prompt Corrective Action Risk-Based Capital Comment Letter
Date: Wednesday, May 28, 2014 4:20:08 PM

Dear Secretary of the Board Poliquin,

I am writing on behalf of Dane County Credit Union, which serves Dane and the seven adjacent counties in the state of Wisconsin. We have 14,450 Members and \$140 Million in assets. Dane County appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements. I am not in favor of the proposal and am requesting that it be denied. The proposal gives too much discretion to examiners to increase capital standards for individual credit unions resulting in possible abuse by examiners. There is little guidance leaving a lot to interpretation by field staff.

In addition to the weak capital standards guidance, the individual risk weightings of types of loans and investments are not consistent with credit union or bank historical standards in Basel III. The recent financial crisis did not evolve from individual credit unions using bad risk weightings. The stabilization expenses paid by all credit unions were a result in large part due to poor investment management at U.S. Central Credit Union.

It is troubling that the impact of setting limits may not have an effect today on credit unions but rather will be felt five, ten, or fifteen years in the future. Credit unions as an industry have weathered the difficult financial times. We listen to our members and make prudent financial decisions.

There needs to be more thought and consideration put into any proposed changes in capital requirements for credit unions. A strong credit union system should be our consensus goal. The proposed change in regulations intended to protect the insurance fund and squelch a healthy industry is not the solution.

Sincerely,

Shay K Santos, CFO
2160 Rimrock Rd
Madison, WI 53713