Augusta Metro
FEDERAL CREDIT UNION

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May 28, 2014

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

RE: **RIN 3133-AD77**

Dear Mr. Poliquin,

I am writing on behalf of Augusta Metro Federal Credit Union, which serves the Central Savannah River Area located in Augusta, Georgia. We have 14,626 Members and 77,244,998 million in assets. Augusta Metro appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

Based on the proposed rule the following would apply:

- Augusta Metro FCU would remain well capitalized in the proposed system, but it's capital cushion would shrink.
- Augusta Metro FCU would see its cushion over well capitalized shrink by a total of $380,653 if the proposal were in effect today.
- Augusta Metro FCU now has a cushion over well capitalized equal to 276 basis points on total assets.
- Under the proposal, the cushion over well capitalized would decline to 225 basis points on total assets.
- The proposal, if adopted, would thus cause a -51 basis point change in our credit union's cushion over well capitalized levels.
- As a point of reference – Augusta Metro FCU earned a 54 basis point ROA in 2013.

We do not agree with the proposal and we do not see anything wrong with the current system at this time. NCUA is over-reacting and taking things to the extremes. We do feel this is just more regulatory burden and would cause us more manual work compiling data and information.

We do not agree with the higher capital requirements on a case by case basis because this leaves too much to personal opinions and personalities. This could cause some credit unions to be required to maintain even higher than well-capitalized level requirements.

A number of the risk weightings, especially for member business loan and mortgage concentrations as well as for CUSO investments do not appear to be properly calibrated for credit unions. Using higher risk weightings without considering liability maturities is also a concern.

Augusta Metro also believes that if you are a well capitalized credit union that you should be allowed to pay dividends at a minimal rate to retain members.

The timeline set forth in the proposal is too short in our opinion. Why the need for such acceleration? 24 to 36 months seems a whole lot more reasonable.

Change is most likely inevitable but I would like to know that the regulators are truly looking at the success of credit unions and not focusing on the few failures.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Sincerely,

Sherry Saxon

Sherry Saxon, CEO

Augusta Metro FCU