

May 28, 2014

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

Re: Risk Based Capital Proposal

Dear Mr. Poliquin,

Thank you for the opportunity to comment about the Risk Based Capital Rule. I believe this rule will have a negative impact on our Credit Union as well as other Credit Unions.

We are a midsize Credit Union with assets of \$94,928,312.01 and a membership base of 7989. Our members have asked for mortgage services and we have provided these services to them. We are a part owner of a MBL CUSO and are able to service our members with their Business Loans. If we have to reduce doing these kind of transactions for our members, they will go elsewhere for these services and taking their other business with them. We have been in business since 1958 and have grown our membership and assets throughout the years. We would like to be able to continue.

These are some of our concerns:

- NCUA has not justified the need for the rule adequately;
- NCUA would assume additional authority to impose even higher capital requirements on individual credit unions that could exceed even well-capitalized level requirements;
- NCUA would require covered credit unions to subtract good will from net worth when calculating their risk based capital requirements;
- NCUA would also require the National Credit Union Share Insurance Fund 1% deposit to be ignored in the risk-based capital calculation;
- More time is needed for the rule to be phased in;
- 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 weights on long-term assets to deal with interest-rate risk is misleading without considering liability maturities.

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I know the difficulties NCUA has had in crafting this rule, but I think if we do not step back and re-look and listen to the Credit Unions about the impact of this rule on their Credit Unions, it will harm the Credit Union industry.

Thank you for your time.

Sincerely,



Helen M Pearce, CEO
Cedar Falls Community Credit Union

Cc: Senator Charles Grassley
Senator Tom Harkin

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