May 28, 2014

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

Re: Comments on Proposed PCA – Risk-Based Capital Rule

Dear Mr. Poliquin:

San Diego County Credit Union (SDCCU) serves over 260,000 consumers who primarily reside in San Diego, Riverside and Orange counties. We are a well-capitalized credit union at 13.06% as of April 30, 2014, with $6.4 billion in assets. On behalf of SDCCU, I appreciate the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule regarding Prompt Corrective Action – Risk-Based Capital.

SDCCU generally supports the concept of risk-based capital. However, the proposed risk-based capital rule, as currently drafted, will harm our industry by creating even more competitive disadvantage in the market within which we operate. We respectfully submit the following comments on the proposed rule.

Bank Parity

From a general safety and soundness standpoint, risk-based capital is appropriate but credit union requirements should not be more restrictive and punitive than they are for U.S. banks. To do so places credit unions at a competitive disadvantage, results in a reduced ability for credit unions to serve their members and communities, and potentially degrades the stability of our industry.

Minimum Capital Requirements

The proposed rule should not afford the NCUA the authority to require even higher capital levels for particular credit unions on a subjective basis. This authority should be stricken from the rule.

In conclusion, a risk-based capital requirement that provides parity with that afforded U.S. banks, and does not disadvantage credit unions, appears to make sense for the industry. However, the proposed rule as currently drafted substantively falls short of these objectives.

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

Sincerely,
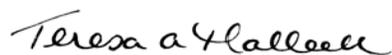
Teresa a Halleck

Teresa A. Halleck
President & CEO