

April 17, 2015

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

RE: Comments on Proposed Rule: Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

Introductory paragraph:

I am writing on behalf of [Pearl Harbor FCE], which serves [the community of Oahu, HI]. We have [25,000] Members and [\$337,000,000] in assets. [Peral Harbor FCU] appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed amendements to the Risk Based Capital Rule.

COMMENTS TO RISK BASED CAPITAL PROPOSAL 2

Thank you for the revised version of Risk Based Capital 2 which is much more realistic than you first proposal.

The following are my comments and observations about the proposal.

- A. I realize that the AG and other agencies recommended that NCUA develop a Risk Based Capital document similar that what other financial institutions have, but this proposal makes us more like a bank. Credit unions are not like banks and did not cause financial problems like the banks did after 2008.
- B. If this proposal existed in 2008, it would not have prevented any substantial reduction in losses to the NCUA shared insurance fund, so why subject credit unions to additional compliance cost, additional requirements in the call report and an increase NCUA work load in monitoring compliance by implementing the proposal as written.
- C. The proposal is applicable to complex credit union, which is defined as any credit union with assets of greater than \$1000 million. The complexity of a credit union is dependent on the contents of its balance sheet not on asset size. To avoid any overkill it is suggested that the threshold be raised to an asset size of \$500 million where credit unions operate with more complex and riskier products.
- D. The proposal also hints that a separate interest rate risk rule maybe necessary. Please don't add more rules in this area, what is existing are adequate.
- E. The proposal establishes an implementation date of 2019. It is suggested that this date be moved to 2121, the expected refund date from the Corporate Stabilization Fund.

Respectfully yours,

Gordon Sam

Sincerely,

Gordon Sam
Board Chairperson
Pearl Harbor FCU

cc: CUNA, CCUL