April 24, 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:

On behalf of Antioch Community Federal Credit Union, I thank you for the opportunity to comment on the proposed amendments to the Risk Based Capital (RBC2) Rule, and I appreciate the changes that have been made in this version in response to the comments previously made. Antioch Community FCU is a federally insured, community chartered credit union serving 1643 members located in Antioch, California with assets of $23 million.

Letter Body:

Although the RBC2 proposal will not directly affect my credit union at this period of time, this ruling will affect the credit union industry. Overall the majority of credit unions fared the recent economic crisis well. We are a financially strong industry, and I am afraid the lasting effects of a RBC Rule could ultimately lead to hurting our members with higher loan rates and lower savings rates.

I do not agree that the RBC rule is needed. RBC is a complicated set of rules based on a theory. No evidence has been presented that could show that this approach would have prevented failures in the past or potentially in the future. NCUA has stated that only a few credit unions will be affected by this ruling. At an estimated cost of $3.7 million, that is a huge expense to make a change to a few credit unions when the existing rules appear to be adequate.

Defining a credit union as complex simply because they have assets of $100 million is absurd. Not all credit unions are the same, and defining a credit union as complex based solely on an asset size is unjustified. Credit unions should be defined as complex based on their portfolio of assets and liabilities.

In regards to the two-tiered capital structure, I have concerns regarding the authority given to the field examiners to require additional capital requirements above the "adequately capitalized" based on their opinion. In addition, I question the legality of the two-tiered capital structure. NCUA Board Member McWatters himself stated that the NCUA does not have the legal authority under the FCU Act to adopt a two-tier standard.

Interest Rate Risk is another area of great concern. Adopting a new IRR rule is not necessary. NCUA's current IRR requirements that were adopted in 2012 are sufficient. IRR rules cannot be addressed by implementing a one-size-fits-all regulation. Similar to defining complexity, IRR should be addressed in each individual credit union based on the risks presented in the balance sheet.

In conclusion, again let me thank you for allowing us this forum to express our opinions. The credit union industry appreciates the opportunity to have our voices heard and the openness from our regulators. Because of the cost to implement, the provisions needing revisions and the possibility of the legality,additional changes to the proposal are needed. I ask that NCUA please read and consider all the concerns and comments before adopting a new rule.

Closing paragraph:

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

Sincerely,

Anna Tellez
President/CEO
Antioch Community FCU

cc: CUNA, CCUL