



April 22, 2015

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

Dear Mr. Poliquin:

The purpose of this letter is to comment on NCUA's proposed revision to the risk-based capital rule. As the President/CEO of Discovery Federal Credit Union I appreciate the opportunity to comment on our behalf. By way of background, Discovery FCU is a community chartered credit union in Berks County Pennsylvania with approximately \$132 million dollars in assets and approximately 10,300 members. We currently enjoy the distinction of being considered a well capitalized credit union under the existing capital rules.

I would like to commend the NCUA for the changes made to the original proposal and appreciate that the agency listened to credit union stake holders in revising the original risk based capital proposal. However, after reviewing the revised risk based capital rule, we feel that the rule proposed still appears to be a solution in search of a problem. Credit unions performed strongly during the Great Recession and were well capitalized during this financial crisis. Yes, losses were incurred by the NCUSIF, however there is no evidence that those losses would have been lessened if the proposed risk based capital rule was in effect. In addition, this proposal appears crafted to mirror the risk based capital requirements for banks without giving any consideration of the unique nature of credit unions.

We are also troubled by the way a complex credit union is defined simply by asset size. Discovery would be considered a complex credit union under the proposal subjecting it to additional scrutiny by examiners without consideration of the complexity of the products and services we offer. NCUA should revise the proposed rule to define a complex credit union on factors such as deposit account types, member services provided, loan and investment types, and portfolio composition.

While vastly improved from the original proposal, the risk weighting for CUSO investments remains too high. As an owner/investor in a business lending CUSO, we will need to evaluate how these risk weightings will affect our ability to own and operate this CUSO.

Although this revised proposal is greatly improved over the original proposal, we cannot help but think why this rule is necessary? Thank you for the opportunity to comment and for consideration of these comments.

Sincerely,

A handwritten signature in cursive script that reads "Edwin L. Williams". The signature is written in black ink and is positioned below the word "Sincerely,".

Edwin L. Williams
President/CEO