



WEST VIRGINIA
CENTRAL CREDIT UNION

Wherever You're Going, We're There!

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

April 22, 2015

Re: Risk Based Capital Proposal (RBC2) – Comment Letter

NCUA Board of Directors:

We want to thank the NCUA board for the number of improvements made from the first Risk Based Capital proposal.

West Virginia Central Credit Union shows a potential risk based capital ratio under the new proposal of 14.79%. This was based on December 31, 2014 data. Our initial concern with the first proposal was that the cushion that we had with the old system was almost eaten up with the new proposal. Our cushion went from 175 bps down to 24 bps. Under RBC2, our cushion is 479 bps, which should provide adequate protection.

Moving the asset amount to \$100 Million and over will allow a significant number of credit unions to remain under the current system. Although, we wonder if assets is the best determining factor as to whether a credit union should fall under RBC2. It might make more sense to base it on specific risk, whether it be high levels of long term assets, high levels of mortgage/business or some other factor that would imply undue risk.

We also feel strongly that the board should not approve RBC2 until the question of legally being able to impose a two tier system is resolved. If approved, by the board by a potential vote of 2 to 1, it will not create confidence in the plan. The potential of a suit by a credit union or interested party would also bring only a level of embarrassment for the agency and the credit union movement. Please determine what can legally be done and then proceed accordingly.

There appears to remain confusion as to whether an examiner can, on their own accord, require additional capital at a particular credit union. This should not be allowed without significant opportunity for the credit union to debate this finding with not only the examiner but also potentially as high up as the NCUA board itself. Requiring more than 10% capital will only negatively affect the members of said credit union.

We remain convinced that additional thought needs to be given to the handling of the NCUSIF deposit. Any potential negative change to the accounting of the fund should be avoided.

WVCCU would ask consideration for the items listed in this comment letter. Our credit unions need more, not less, flexibility when structuring our balance sheet to assure service to our members.

We thank the NCUA board for their willingness to consider our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Tucker". The signature is fluid and cursive, written over a light blue horizontal line.

Michael A Tucker
President / CEO