

April 27, 2015

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

Leominster Credit Union Comments on Notice of Proposed Rulemaking on Risk-Based Capital

Dear Secretary Poliquin,

Please accept this letter of comment relative to the National Credit Union Administration's ("NCUA") second proposal governing risk-based capital ("RBC2").

Leominster Credit Union is pleased that the NCUA considered the thousands of industry and congressional comment letters, emails and telephone inquiries provided in response to the first risk-based capital proposal. We applaud the many recent changes to the proposal made by NCUA.

We still have concerns regarding some of the proposed regulation. Our top concern is that the authority for this rule is unclear to us. In addition, based on some of the many comments I have heard on the matter, we feel the regulation is simply unnecessary.

In addition, the risk weights for mortgage loans remain a serious concern. Mortgages are a crucial product to our members and a vital part of our strategy of serving our members financial needs. Specifically, current first lien residential mortgage loans, and current and non-junior real estate loans over 20% of assets have higher risk weights than those assigned to banks. The risk weights of mortgage loans should be lowered as credit unions do not present high levels of risk for these products.

Thank you for considering the thoughts of credit union management in this proposal. As a CEO there is nothing I want more than a successful credit union that serves the needs of our members in a safe and responsible manner. Working together, I am confident that we can make this happen.

Sincerely,

John O'Brien
President/CEO