

From: [Ann Brinkerhoff](#)
To: [Regulatory Comments](#)
Subject: Risk Based Capital Proposal
Date: Wednesday, May 28, 2014 2:43:08 PM

Dear Chairman Matz,

Thank-you for the opportunity to have a voice about this important topic. Our credit union is small, but I still feel compelled to comment.

When I first started reading about your Risk Based Capital proposal, my initial reaction was positive. After all, I lost some of my members' capital because of poor decisions made by other much larger natural member and corporate credit unions and I certainly don't want that to happen again. However, as I was delving into the actual proposal, there were things that bothered me. First of all, it is the nature of all regulatory agencies to regulate to the most recent crisis. Granted, in the last five years, we've passed through some extremely difficult times but those of us who are left are the survivors, not the ones who perished! Is it really necessary to place additional regulation on the credit unions who were well-managed and had enough capital to survive? Especially considering the heavy compliance burden we already struggle to carry? I don't think so - as long as examiners do their job using the regulations that are already in place.

The second thing that popped into my mind was the nightmare that giving examiners the authority to determine whether an institution is well enough capitalized will cause – both for the credit union and the examiner. If you want to create controversy, this is the way to do it. Unless, of course, you can clone examiners so they think and react exactly the same way every time. Just giving examiners the authority to determine if a simple ALLL calculation is adequate for my little credit union that has no delinquency causes exasperation. Almost every examiner wants me to rewrite it a different way. If I were you, I'd set strict quantitative rules and stick to them.

I ran through several scenarios using the factors in the proposal. I think some of the factors are out of whack but I'm positive the large credit unions have pointed those out to you.

I realize the hours that went into developing the proposed policy and I appreciate the chance to put in my two cents worth.

Sincerely,

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