

From: [Jon Jeffreys](#)
To: [Regulatory Comments](#)
Subject: risk based capital comment
Date: Wednesday, May 28, 2014 9:50:18 AM

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration

Mr. Poliquin,

I am writing as a member of several credit unions. I am concerned that the proposed risk based capital rule will impact my credit unions ability to serve me and my community.

I got my first car loan from NIH FCU, my first mortgage for Pentagon FCU, and have an active account a Digital FCU. My wife got her first car loan from Apple FCU. Credit unions have been there at the stage in my life when I was newly hired from college with minimal credit history, when I got married and bought my first home, when my wife took her job as a teacher and learned about the benefits Apple provides those newly hired just moving to Northern Virginia for the first time.

Credit unions have been an integral part of my life since college. I have even been a candidate for the board of the first credit union I joined--unsuccessfully. Our family believes in the distinctive benefits of the member-owner cooperative model. In our experience the credit unions have responded to our needs as their utmost priority because of this unique organizational design.

Reading the risk based capital rule, I believe this puts the regulator, not the boards of our credit unions, in the position of deciding among risk asset classes and how much capital should be required by each. It imposes a one-size-fits all formula on the local decision making and experience of the credit union board and senior manager leadership. This does not fit the cooperative design which we value.

Our credit unions have demonstrated their ability to manage their level of reserves in a wide variety of economic circumstances and business strategies in the 12 years of our relationships. Adding a banking rule to the cooperative model brings no value to the member-owner and confuses the straightforward presentation of reserve levels today. It would in short, require credit union managers to think like banks as they make their financial decisions. The member gets relegated to a secondary role. I can easily be treated secondarily at any bank in the country- I have chosen a different solution.

The cooperative model has worked well for my family in the multiple life stages that we have gone through. These credit union relationships have been a vital factor as we have taken on new responsibilities at home (two children) and new directions in our professional careers.

This proposed rule provides no benefit to us as members, and would refocus the way boards must think about their financial priorities. Please withdraw this proposal and let cooperatives act like cooperatives, not like banks.

Jon Jeffreys

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