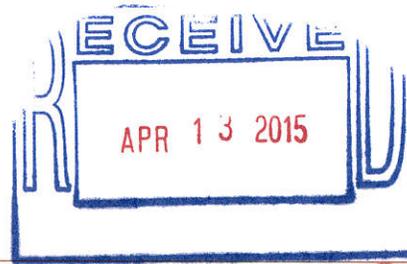




Financial Intelligence Pays Off

April 6, 2015



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Re: Comments on Risk-Based Capital Rule

To: NCUA Board

I am President/CEO of iQ Credit Union since 1985. We are a \$750 million Credit Union located in Vancouver, Washington. Thank you for allowing another comment opportunity on your Risk-Based Capital Rule. While I saw many improvements from the first draft of the proposed rule I think there are still areas that need attention. I will not focus on areas improved rather on areas that I disagree with.

I still do not believe a second capital requirement should be implemented where the existing Prompt Corrective Action framework exists and has been approved by Congress. Credit unions emerged from the last economic crisis better than any other type of regulated financial institution. I feel the current powers provided the National Credit Union Administration (NCUA) enough authority to deal with the past crisis and provides enough for any future economic event.

Congress has determined through part 702 of the NCUA Rules that Prompt Corrective Action of 7% is well capitalized. Under the new Risk Based Capital Proposal the new rule of 10% becomes the floor for being classified well capitalized. My reading of the Federal Credit Union Act does not allow NCUA to create an additional capital standard for a credit union to be well capitalized. This question is my underlying concern with the entire proposal.

I believe that NCUA's current interest rate risk rule is sufficient. NCUA has removed this area from the risk based capital rule but has stated that they will evaluate interest rate risk rules in future agency actions. If there are to be changes to our interest rate risk rules it should be evaluated and commented upon separately.

It appears that this proposal should be cancelled as it is contradictory to Congressional authority and established rules.

Sincerely,

Roger Michaelis  
President/CEO