

Regulatory Comments

From: Wynona Shaddix <no-reply@cuanswers.com>
Sent: Friday, April 10, 2015 5:31 PM
To: _Regulatory Comments
Subject: Risk-Based Capital Comment

To: Regulatory Comments
From: Wynona Shaddix
CU*South

04/10/2015

Dear Mr. Poliquin:

Congress intended for the NCUA to develop rules around credit union complexity that would take into account the diversity of credit unions. An arbitrary asset cut-off point is contrary to the mission Congress provided to the NCUA, which is to take in account the special nature of the members' relationship with the credit union.

Although Congress has stated NCUA must develop risk based capital standards and they must be formulated in a similar fashion as the banking industry, we do not believe Congress wished to create a tax on members and abandon the cooperative principles of credit unions. Since the publication in the Federal Register the actual costs associated with this capital tax have been challenged. Recently NAFCU published an estimate that credit unions will need to raise an additional \$760 million dollars in capital to achieve their current capital levels. Because credit unions only have one source of earnings, that additional capital tax must come directly out of our members' pockets through a reduction in savings rates, increase in loan rates, and potentially changes to transaction fees. We believe NCUA's estimate falls far short of the actual cost to the industry and again focused on the potential risk to the insurance fund rather than those they regulate and ultimately their members . In an effort to remain the best financial resource for our members, we would encourage the NCUA to withdraw the proposed rule altogether.

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A large, bold, black handwritten signature, likely of Wynona Shaddix, consisting of stylized initials and a long horizontal stroke.

Wynona Shaddix
CU*South