

From: [James Boyd](#)
To: [Regulatory Comments](#)
Cc: syashewski@cornerstoneleague.coop
Subject: Abilene Teachers Federal Credit Union Comments on RBC2
Date: Friday, April 24, 2015 12:55:39 PM

Dear Gerard Poliquin, Secretary of the Board, National Credit Union Administration:

Abilene Teachers Federal Credit Union is a \$415 million credit union serving 43,000 members from its offices in Abilene, Texas. Thank you for this opportunity to comment on another regulatory overreach by NCUA.

We continue to hold firm to our view that NCUA does not have the legal authority to impose a two-tiered RBC system. You didn't have that ability with your RBC1 proposal and still do not have it under RBC2. We understand that like the current administration the true legality of the situation is meaningless to you and you will forge on and make the courts ultimately decide it millions of dollars and years down the road, so please read on for further reasons RBC2 should be shelved.

The proposed rule goes too far in treating credit unions like banks, ignoring the importance of the credit union difference as cooperative, not-for-profit, member owned and directed institutions. You would think that NCUA would know what we are at our core. There is a real danger that if you are regulated and supervised as banks, you will be forced to act more like banks, which would be a great disservice to our members.

The strong performance of credit unions and the NCUSIF during and after the financial crisis demonstrates there is no need for a major overhaul of capital requirements, and we can't find any evidence that had RBC2 been in place before the crisis that it would have reduced NCUSIF losses in any noticeable way.

We request that the rule be withdrawn, but in the event it isn't we suggest a number of changes and further improvements:

- The new proposed capital adequacy provisions, beyond net worth and RBC ratio requirements, should be dropped;
- A number of the risk weights should be lowered;
- The identification of "complex" credit unions should be based on something more substantial than simply asset size, and should be limited to credit unions of at least \$500 million in assets;
- The conditions under which goodwill could be included in the RBC ratio should be expanded;
- NCUA should minimize the burden on credit unions of expanding the Call Report for purposes of RBC2;
- NCUA should allow credit unions to use supplemental capital in meeting RBC requirements;
- The implementation of RBC2 should be delayed until 2021, to coincide with expected refunds from the Corporate Stabilization Fund (unless you change the rules and find a way to hold on to more of our members money before then).

Thank you again for this opportunity to comment on this NCUA overreach.

Sincerely,

James Boyd
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Abilene Teachers Federal Credit Union

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