

**From:** [Jim Brisendine](#)  
**To:** [Regulatory Comments](#)  
**Subject:** RBC2  
**Date:** Monday, April 27, 2015 5:31:45 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)

---

Dear Mr. Poliquin,

As CEO and President of Resource One Credit Union, I would like to take the time to address my concerns regarding the revised RBC2 proposal. I fully support and urge the necessary requirements for all credit unions to be financially strong. I believe that the updated proposal will continue to have a negative effect on the movement. I would like to express my concerns on RBC2 and its continued flaws in its restructured context.

As it stands, the current system works effectively. Credit unions came through the last Recession, the worst financial crisis since the Great Depression, just fine. NCUA's rationale for proposing a new risk-based capital rule is to make the RBC system for credit unions comparable to bank RBC requirements. Resource One has continued to demonstrate growth, serving over 50,000 members. I fully believe that NCUA has made concentrated efforts to improve the original capital risk proposal, but its revised format still seems to have inadequacies.

A key change in RBC2 was to eliminate higher risk weights for longer-term investments. I would like to encourage NCUA to refrain from issuing a proposal on interest rate risk that would apply a minimum quantitative measure of interest rate risk to all covered credit unions using some common measurement framework in the future. Interest rate risk should not be incorporated into the risk-based capital system.

Defining a "complex" credit union by asset size is arbitrary. RBC2 is allegedly designed to ensure capital adequacy, therefore the requirement should stand on its own merits. Capital adequacy planning that individual credit unions do should not be subject to examination and supervision. This type of risk management oversight should be promoted in the credit union system. Models with worst-case scenarios are not realistic. It should not be used to force higher capital requirements.

NCUA has improved the risk weights for the revised RBC2 proposal from the original draft, RBC1. The risk weights remain high for both CUSO investments and mortgage servicing, which could affect a credit union's ability to own and operate in these areas. NCUA needs to consider lowering the risk weights for CUSO investments (150%) and mortgage servicing assets (250%).

I appreciate your willingness to allow me to express my comments on this revised impactful regulatory proposal. I respectfully encourage you to consider additional improvements to the proposed revised Risk-Based Capital (RBC2) Rule in accordance with my views included in this letter. Thank you for the opportunity to

voice my opinions and comments on the updated RBC2 proposal.

Best Regards,



**Jim Brisendine**

President / CEO

Member/Owner since 1976

p: 214-565-5311 | c: 972-672-3767

f: 214-292-0701

[www.r1cu.org](http://www.r1cu.org) |  



**CONFIDENTIALITY NOTICE** The information in this e-mail may be confidential and/or privileged. This e-mail is intended to be reviewed by only the individual or organization named above. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein is prohibited. If you have received this e-mail in error, please immediately notify the sender by return e-mail and delete this e-mail from your system.

This e-mail and any attachments may contain confidential information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal. Resource One Credit Union reserves the right to monitor all e-mail communications through its networks for quality control purposes.