

Mr. Gerard Poliquin, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

March 5th, 2015

Dear Secretary Poliquin,

Thank You for the opportunity to comment on this latest proposal to redefine and restructure the capital requirements for Federally Insured credit unions.

Like the first proposal we continue to grapple with any rational need for such actions and would like to comment on how we believe this latest recommendation continues to undermine the fragile underpinnings of credit unions. Not just smaller credit unions but our larger credit unions also.

Credit Unions are not big institutions. We do have some that are considered "large" but only when measured against other credit unions. When measured against large multinational banks we could only be considered as tiny. We exist to serve people of modest means and toil, every day, on Mainstreet dealing with and helping members to manage the everyday problems that they face oftentimes with very limited resources on both sides.

We have been highly impacted by the last 8-10 years of fiscal shenanigans foisted on our economy and environment by the greedy, self-serving individuals and banking institutions that were responsible for the near collapse of our economy. During that period and despite the never ending "fixes" offered by Congress and subsequent rulemaking by Regulators we have continued to serve our membership and try to assist them with the problems they have faced as a consequence of those fiscal shenanigans. At the same time the large multinational banks have been constantly exposed with their seemingly never ending schemes to make themselves even richer at the expense of the people. As our reward we supplied tens of thousands of our member's money in order to save NCUSIF only to watch in dismay as Congress and the Executive branch supplied the Big Banks with funds to save their hides from their own actions under the pretense that they were too big to fail.

Now the NCUA proposes RBC2 and offers a special dispensation to credit unions under 100 million in assets. As someone who has spent nearly 50 years in the movement this dispensation is recognized for what it really is and that is nothing more than a ploy to try and quiet the complaints of the governed. In reality RBC2 will eventually be visited on all credit unions in the form of supposed "Best Practices" just another way of demanding on site less formalized and unofficial regulation.

Several questions about RBC2 need answers:

Did the same people responsible for RBC1 become responsible for and draw up RBC2?

If so what did they learn from their terribly constructed first effort that improved their second writings? Nothing seems apparent.

Do they have a realistic idea of what credit unions are and do they recognize that they are not the same as community banks despite the seemingly homogenous risk matrix supplied in the proposed rule?

Why are little credit unions, serving the people with no potential for any international impact, mentioned in the same breath with large, multinational banks and BASEL III? One would have to draw some very wild conclusions to believe that we could in any way cause the types of problems we have seen caused by those banks. Banks which by the way got some very big time government bailouts with few individuals going to jail and generous tax write offs supplied by government agencies who fined (read tax deductions) them for their scurrilous antics.

If there were only credit unions and community banks BASEL would be a nice place to visit and there would be no use for Accord 1, 2 or 3. Does the Board get that?

The Board must be aware of the continued decimation of smaller credit unions. Its actions and the actions of a multitude of other government agencies have hastened the compression and consolidation of these people friendly financial institutions. In some cases, many cases they offer the only hope that people have for economic self- determination and when that hope is eventually snuffed out, by the heavy handed actions of government then people, as history has shown time and time again, will be left to their own devices. That could not be considered good for a democratic society.

RBC2 or whatever is bad medicine for a patient made ill only by the purveyors of such edicts. Does NCUA believe "it must do something" to keep up with the other regulators? You don't have to just because they feel a need to act or is there some kind of regulator "brotherhood" the general populace is unaware of?

Credit Unions face many challenges and they face them with only sweat equity available to deal with lots of difficult issues. As the outpouring of regulation has become a torrent we face the special challenges of complying with BSA and other government edicts that are costly and represent a tax on the resources of smaller, indeed all credit unions at a time that their incomes are diminished due in large part to the control of rates and liquidity by the government. NCUA should consider demanding reimbursement from the Treasury for the millions upon millions spent by small institutions to do the job of government agencies. That would be an example of a good regulator who has recognized a wrong and tries to fix it. Not a copycat agency that somehow feels compelled to write something to only preserve an imaginary position.

Small credit unions will be missed when they are gone. For every small credit union that is merged out or dissolved 5-10 active voices are silenced as the Boards go away. They are the voices that offer the co-operative philosophy as the reason for being. When they are gone who will continue the battle for economic equity and self- determination? Will Congress be more likely to listen to representatives of a 1000 credit unions or 6000 credit unions? Can the members of a smaller credit union expect the same pointed and personal service or will they become just part of the crowd?

We could go on and on but we think we have made the point. RBC2 should be consigned to the same filing cabinet as RBC1 and NCUA should strive for a less intrusive role in the lives of credit unions. It should realistically assess the environment we are operating in and offer regulations that fit our environment and are specific to the activities of non- profit cooperatives. Those that are not germane should be withdrawn.

Finally one last point. NCUA should be proud that it is the regulator for a movement which has never lost the idea that cooperative ideals are the best and noblest ideas for people everywhere and should be willing to fight to preserve that idea.

Thanks for your consideration

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