

~SAN MATEO~  
CREDIT UNION

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P.O. Box 910 • Redwood City, CA 94064-0910

March 31, 2015

Board of Directors  
National Credit Union Administration  
1775 Duke Street, Alexandria,  
VA 22314-3428

Re: Risk Based Capital

Dear Board,

Congratulations for attempting to address the rather complex questions of Risk Based Capital.

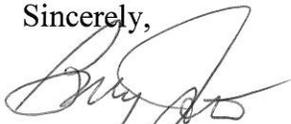
Shame on you for wasting Agency and credit union resources on such a poorly constructed proposal!

While the revised revision is certainly an improvement, you should be embarrassed at the number of significant changes you made to create a more realistic/reasonable approach. And to end up with a proposal that would identify about two dozen credit unions with possible additional capital needs, brings into question whether or not a regulation is truly needed, or is it simply something to hide behind?

Rather than turning the industry on its ear, I would suggest you use your supervisory authority to deal with the few. Seems to me we learned long ago, when some children in a group misbehave, we don't punish them all, but we address behavior standards and punishment for those few who misbehave. It is a simple concept.

I respectfully suggest you apply it to risk based capital. Shelve the proposed regulation and address those whose capital seems inadequate for the risks they take.

Sincerely,



Barry Jollette  
President/CEO