

From: [Merrill Mann](#)
To: [Regulatory Comments](#)
Subject: Risk Based Capital Comment
Date: Thursday, April 03, 2014 11:31:28 AM

Mr. Poliquin,

My name is Merrill Mann and I am President/CEO of APCO Employees Credit Union, a \$2.4 billion credit union located in Birmingham, AL. First, and foremost, credit unions must continue providing value to its members and remain true to our "people helping people" philosophy. The way the Risk Based Capital proposal is structured appears to force all credit unions into a cookie cutter type of "bank model" that will require us to pay less, charge more, and increase fees.

Without supplemental capital, the only way for credit unions to increase capital is to retain more of their earnings rather than distributing those earnings to their members. And, like a tax, this unnecessary burden of increasing the present levels of capital will be passed through to members in the form of lower dividends, higher loan rates, and increased fees. Has the NCUA considered polling the 100 million members or conducting member focus groups regarding this proposal?

I realize the NCUA has a difficult task and I know they have a lot of great people with good intentions. However, when you focus on only one thing, you can lose perspective of the whole and that can cause unintended consequences that could affect the survival of credit unions. For instance, made in a vacuum, a rule to prevent roll over accidents that requires driving 15 MPH in the right lane of a high speed, multi-lane interstate, seems like a good idea. While this rule will prevent all roll over accidents, there are unintended consequences and risks to the survival of the vehicle's occupants this well intended, stand alone rule creates.

While risks can be mitigated, they can not be eliminated. The credit union movement has strong, visionary leaders. As written, the proposed rule is arbitrary and, most troubling, subjective. I ask that the proposed rule be scrapped, or at least thoughtfully improved, and let credit unions continue on their journey of providing real value to their members.

Thank you for the opportunity to comment and for your consideration.

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