

**From:** [Lee Mabry](#)  
**To:** [Regulatory Comments](#)  
**Subject:** NCUA Risk-Based Capital Reg Proposal  
**Date:** Tuesday, April 08, 2014 1:50:04 PM

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**Mr. Gerard Poliquin**  
**Secretary, NCUA Board**

**1775 Duke Street**  
**Alexandria, Va. 22314-3428**

Mr. Poliquin,

The **increased capital requirements for credit unions** under the new RBC proposal, appear to me, to be an excess 'tax' on credit unions. Compared to the **Capital Requirements of Banks**, I feel NCUA will be impacting the future of credit unions. I would appreciate a response that addresses some of my concerns below:

1. Capital requirements for **Member Business Lending** greater than 25% of assets requires credit unions to reserve twice as much as Banks. Why the difference - would appear to be a 'tax' to limit growth. Wouldn't you agree that this might limit lending to small businesses?
2. Capital requirements for **Mortgage Loans** are twice the amount required by banks when 35% of your portfolio is in first mortgage loans. Please explain why credit unions are being treated differently here. Credit Unions help a lot of members with home ownership.
3. Capital requirements for 10 year **investments** - more specifically, government bonds. I see that the requirement for capital is more than double that required of a bank. Why is this? And where is the heightened risk?
4. **Delinquency** - reporting on non-performing assets. Why are credit unions and banks not reporting from the same data - set. One is 90 days, the other 60 days. Please tell me which one credit unions report under - 60 or 90 day? Would you agree that different reporting will make one look better than the other? Isn't delinquency, delinquency? Won't 90 days likely be a smaller percentage of the loan portfolio than 60 days? Why be different in this area?

I am concerned that these changes, as well as many others, are singling out credit unions. I believe most credit unions survived 2008-2011 pretty well. The four areas covered above represent some core pieces of a credit union balance sheet. If credit unions are not afforded the same rules as banks, NCUA would appear to encouraging charter changes, mergers, closures, etc. The future will not represent a level playing field for credit unions. We have been in existence for far too long and performed very admirably - the RBC proposal is certainly not warranted and should be re-visited.

Thanks for your time and I certainly hope to hear from you.

Lee Mabry  
Member - Owner