

From: [Dean Wilson](#)
To: [Regulatory Comments](#)
Subject: Risk Based Capital
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As the president of a credit union less than 50 Million in assets I felt it was important to provide some comments in regards to the Risk Based Capital proposed regulation based on where we hope our credit union will be one day in the future. While my understanding of some of the political wrangling around the Basel standards is limited, to the untrained eye it would appear the proposed regulation is trying to cast a wide net without any consideration of what the catch of the day might be. Our banking friends who operate at various risk levels including venture capital investments are not singularly stuck in their capital creation whereas credit unions are and that is a key differentiator in this discussion.

The arbitrary 250% risk weighting to CUSO's is both stunning and stark in looking at the variety of risks that are found across the CUSO spectrum. From shared service networks, check printing companies, data processing cooperatives....the list rather limitless. The effect if this proposal was pushed down to our credit union's asset size would have potentially disastrous complications based on the board and management decisions about what investment may be limited, ceased or divested due to the potential resulting RBC rating. Once could theorize this rule itself create CUSO failures or at least significantly impact how they can compete in the marketplace.

When addressing a Risk Based Capital method it would seem to be wise to actually approach the cooperative marketplace before making any draconian announcements and immediately creating an approach that seems to be us versus them. No one in the credit union industry wants our regulator to accused of being a cheerleader but it would seem prudent that people would view our insuring body as fair, genuine and seeking a collaborative solution for a very difficult issue.

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