

**From:** [Rhonda Baggarley](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Risk Based Capital Comments  
**Date:** Thursday, April 24, 2014 1:16:27 PM

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To: NCUA  
From: Rhonda Baggarley, President/CEO  
Re: Comment on Risk Based Capital Proposed Regulation  
Date: 4/24/14

To Whom It May Concern,

I am the President/CEO of Sunset Science Park Federal Credit Union, in Portland, Oregon. Our assets fall below \$50 Million, and although I recognize that we are exempt from these proposed regulations (on account of our asset size) I am concerned that we will be held to the same standards by our regulators, if not now, then eventually.

I am concerned that the proposed risk based standards are a "one size fits all" regulation which does not reflect my Credit Union asset risk, and which would have a negative impact on my Credit Union and members.

This is why I am concerned about this proposed regulation: 80% of my loan portfolio is mortgages, which means (under the proposed regulation) that those mortgage assets would be risk weighted more heavily, and would require a higher Net Worth Ratio. Over 30 % of those loans will re-price within 5 years, an additional 55% will re-price within 10 years, leaving only 14% of the mortgage portfolio with fixed rates in excess of 10-years. The majority of our borrowers have A+ credit with low Debt to Income Ratios. LTV's are 80% or less with a sizable portfolio of approx. 22% under 50% LTV. My mortgages are very low risk, yet per this regulation they would be judged high risk, and would significantly increase my capital requirements, at the expense of my members.

I would prefer that my NCUA examiners would be able to actually look at my loan portfolio and make a judgment decision on how risky/ it is based on actual facts, rather than be forced into a "one size fits all" regulation which does not come close to reflecting the reality of my portfolio. My credit union monitors credit scores and current LTV's and would gladly report additional loan information to the NCUA in my 5300 report, rather than be subject to these harsh new standards. I have talked to several other Credit Union CEOs who share the same opinion.

It appears that Credit Unions are being held to a much higher standard than other financial institutions in the industry, yet were not the ones who caused or contributed to the meltdown of the last decade. Equality and fairness is warranted.

Thank you for your time and consideration in this matter.

Rhonda Baggarley



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