

From: [Sam Biegelsen](#)
To: [Regulatory Comments](#)
Subject: NCUA Risk-Based Capital Proposed Reg
Date: Thursday, May 01, 2014 2:05:22 PM
Attachments: [image002.png](#)

Attn: Mr. Gerard Poliquin, Secretary, NCUA Board

My name is Sam Biegelsen. I am a member and volunteer with White Crown Federal Credit Union in Denver, Colorado and I am writing to express my displeasure in the NCUA Risk-Based Capital Proposed Regulation.

As our treasurer, I am especially concerned about the proposed rule for the following reasons:

- The rule is overly complex, difficult to administer and intrusive on credit union operations.
- As proposed, the Risk-Based Capital Ratio vs. the Net Worth Ratio will **result in substantially higher capital ratio requirements for credit unions than banks**, reducing our competitiveness in the financial services market. This is even though **credit union industry's loss ratio is only 11% of that experienced by the banks we compete with.**
- The higher Capital requirements will divert profits from our investment in competitive products and services for our membership. This will **negatively impact our members, either through higher loan rates or lower dividends** and result in a lower level of innovation and service to our membership.
- Asset-backed securities are discriminated against and will count against the credit union. The only way for these securities to not count against the credit union is if a **quarterly in-depth analysis including over 15 different factors is performed on each asset for each security.** This is applied even if not losses have ever been sustained and the credit union

has a current monitoring program in place.

In the final analysis, **this rule has a powerfully negative impact, is overly intrusive and complex.** The requirements for additional capital under this rule **will hinder our opportunity to offer new products and services** to our membership. Additionally, the overwhelming burden of compliance with these changes **will reduce both our board's and management's attention** to focus on innovation and the needs of our membership.

Without question, this rule, as proposed, **will have a negative and far-reaching impact on our credit union, our membership, and the credit union industry.**

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink that reads "Sam". The signature is cursive and fluid, with a long horizontal stroke at the end.

Sam Biegelsen, CPA

Member, Board Member and Treasurer

White Crown Federal Credit Union