From: Matthew Vander Hulst
To: _Regulatory Comments
Subject: Risk-Based Capital Comment
Date: Friday, May 09, 2014 5:18:23 PM

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From: Matthew Vander Hulst
Xtend Inc.

05/09/2014

Dear Mr. Poliquin:

I work for a cooperative CUSO serving over 200 credit unions nationwide. A new rule proposed by the NCUA regarding risk-based capital was recently brought to my attention recently and has me genuinely concerned about the impact it will have for my CUSO, our owners, and the members they serve.

Primary amongst my concerns is the requirement that our CU owners set aside 2.5 times the value of the investment in our CUSO for capital. I realize that a history of past investments in CUSOs have resulted in some losses for credut unions and the NCUA, but I feel this measure is overreaching and our CUSO has performed strongly since its formation in 1970. We are very well-capitalized and pay patronage dividends almost every year—and this doesn't even account for the net income generated for credit unions by cooperatively bargained, reduced pricing!

The proposed risk-based weighting would limit our clients' ability to invest in our CUSO and the subsequent sharing of its annual profits. A harsh, blanket approach to regulating credit union CUSO investments simply does not make sense, and I strongly encourage the NCUA to reconsider the Risk-Based Capital proposal, especially as it relates to CUSO investments.

Matthew Vander Hulst
Xtend Inc.