

From: [Bret Weekes](#)
To: [Regulatory Comments](#)
Subject: Risk-Based Capital Comment
Date: Tuesday, May 13, 2014 8:55:23 AM

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From: Bret Weekes
eDOC Innovations

05/13/2014

Dear Mr. Poliquin:

I am an employee, owner and member of a CUSO and I have a passion for the credit union industry, and a belief in the cooperative charter of credit unions. As a CUSO, our organization provides key service and solutions to credit unions, which assists them in servicing their members. The recently proposed RBC rule sites NCUA's concerns about credit union's ownership in CUSO's and the prospective risks associated with these companies. Of specific concern is the weighting of CUSO risk in conjunction with credit union investment. The proposed ruling, suggesting CUSO investment would incur a 250% factor of risk on a credit union's capital rating I find unwarranted and believe such a measure will affect both my employer and credit unions in a very negative way.

I am supportive of NCUA's expressed desire to mitigate unnecessary risk, and recognize that the banking sector of the financial service industry has guidelines for institution owned organizations. During the recent NACUSO conference in Orlando, Florida, Jack Antonini outlined for the NCUA panel in attendance, a measure which I believe is more reasonable and reflective of the banking counterpart ruling, which would give CUSOs a risk based capital rating of 100%.

I, along with many colleagues within the industry, believe that this proposed rule goes going well beyond what is necessary to protect the insurance fund, and with the resulting consequence of limiting services to credit unions and their members. It will also discourage credit unions from investing in CUSOs such as the one I work for, which have provided credit unions with extensive benefits including, but not limited to, products and services, dividends and reduced expenses as a result of cooperative bargaining on technology.

I raise my voice of concern in this matter and ask the NCUA board to reconsider the proposed ruling, which I believe is heavy-handed regulation, and which will undermine the cooperative principles I and credit unions like me hold dear as the true differentiator in the industry. My recommendation is that the NCUA take this proposal off the table until such a time as a capital requirement regulation that meets the needs of the industry can be designed—and not one that's solely concerned with the health of the insurance fund.



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