

From: [Jim Lawrence](#)
To: [Regulatory Comments](#)
Subject: Risk-Based Capital Comment
Date: Tuesday, May 13, 2014 9:04:43 AM

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From: Jim Lawrence
CU*Answers

05/13/2014

Dear Mr. Poliquin:

I am a multi-generational member of an amazing credit union and an employee of a CUSO, both with a long history of serving its members and clients with excellence. I have recently read a number of articles in credit union industry journals regarding a proposed regulation that the NCUA has formulated with respect to RBC requirements. My understanding is that this proposal will affect both my employer and my credit union in a very negative way.

It appears that most industry professionals view this proposal as going well beyond what is necessary to protect the insurance fund, and with the resulting consequence of limiting services to members. It will also discourage credit unions from investing in CUSOs (like the one I work for), which have provided credit unions with extensive benefits including, but not limited to, patronage dividends returns and reduced expenses as a result of cooperative bargaining on technology.

I hope this message conveys my concern in that while both my CUSO and my credit union are very strong organizations, placing such heavy-handed regulation on them will undermine the cooperative principles they 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 drafted—and not one that's solely concerned with the health of your insurance fund.



Jim Lawrence
CU*Answers