

**From:** [Lavenda Jones](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Risk-Based Capital Comment  
**Date:** Tuesday, May 13, 2014 9:53:27 AM

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To: Regulatory Comments  
From: Lavenda Jones  
CU\*South

05/13/2014

Dear Mr. Poliquin:

I am both a member of a great credit union and an employee of a CUSO. The CUSO I work for - one of the best in the country - serves other CUSOs, credit unions, and their members from coast-to-coast. I was recently made aware of the proposed changes involving regulation that the NCUA has formulated with respect to risk-based capital requirements. My understanding is that this proposal will affect both my employer and my credit union in a very negative way.

It seems 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 such as 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. Our CUSO has provided credit unions with functionality, never before within their reach, inclusive within our product. Which has benefited their members and strengthened the credit union.

I hope that you can understand 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 designed—and not one that's solely concerned with the health of your insurance fund.



Lavenda Jones  
CU\*South