

Debbie Matz  
Chairman of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Dear Ms. Matz:

I am writing to express my opposition to the proposed Risk-based Capital requirements for Credit Unions, which amends multiple sections of the Federal Credit Union Act.

I will not try to repeat the arguments of others relating to complexity of the proposed rule; the impropriety of imposing on credit unions a one-size fits-all solution designed for banks, or even the financial burden this will place on -- especially -- mid-sized credit unions. Undoubtedly, you have heard these arguments before.

Instead, I would like to point out that, from the perspective of a volunteer, the greatest risk facing mid-sized credit unions today is Agency Risk emanating from NCUA itself: the risk that NCUA is acting not in the interest of supervising the compliance of credit unions with principles ensuring their safe and sound operation; or even in the interest of protecting the National Credit Union Share Insurance Fund (NCUSIF) but rather, NCUA , or perhaps its staff, seems bent on a power grab to extend its ability to manage -- some would say micromanage -- credit union operations, while at the same time usurping the authority of Congress to authorize the rules under which they operate.

How else do you explain the remarkable provision in the draft rules that examiners may impose additional capital requirements on a case-by-case basis -- apparently based on no greater authority than NCUA Rules and the examiner's judgment.

Risk is a matter of opinion. To date, the judgment of credit unions seems superior to that even of large banks. But apparently, NCUA thinks otherwise. Personally, I see little incentive in this proposal for talented employees and dedicated volunteers to sit around waiting for the examiner to tell them how to best serve their members.

Yours,



David N. Narr