From:	Esteban Camargo
To:	_Regulatory Comments
Subject:	Risk-Based Capital Comment
Date:	Tuesday, May 20, 2014 2:42:29 PM

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From: Esteban Camargo
CU*Answers

05/20/2014

Dear Mr. Poliquin:

I am both an employee of a CUSO and a member of a credit union. My research into the proposed regulation with respect to risk-based capital requirements for credit unions has been alarming. My understanding is that this proposal will affect both my employer and my credit union negatively.

My first concern is with the unfair weight it places on CUSO investment by credit unions. The 250% capital requirement will substantially hinder a credit union's ability to invest in a CUSO as doing so will put it at far greater risk of failing to meet the new thresholds. Furthermore, it would appear that the calculation only takes into consideration ROI based on patronage dividends and completely ignores the fact that CUSOs can provide credit unions with substantially reduced costs through cooperative bargaining on technology.

Secondly, even if a credit union meets both the current net worth ratio and the new RBC requirement, regulators could still place a credit union into prompt corrective action based on their subjective opinion. This is a new level of government oversight that will only serve to stifle innovation. Regulators should work with our credit unions to foster better services; not rule by fear by dangling the possibility of arbitrary intervention.

I recommend the NCUA take this proposal off the table until a better capital requirement regulation can be designed.

Esteban Camargo
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