

From: [James Boyd](#)
To: [Regulatory Comments](#)
Cc: syashewski@cornerstoneleague.coop
Subject: Abilene Teachers FCU Comments on Proposed Rule regarding Risk-Based Capital
Date: Tuesday, May 20, 2014 4:30:01 PM

Dear Gerard Poliquin, Secretary of the Board, National Credit Union Administration:

Abilene Teachers Federal Credit Union is a \$386 million credit union serving 40,000 members from its offices in Abilene, Texas. Thank you for the opportunity to respond to another onerous regulation proposed by NCUA.

There is no need or justification for such a rule. Credit Unions weathered the so-called "Great Recession" just fine. Other than a few isolated incidents, NCUA has not demonstrated justification for another new burdensome regulation.

NCUA has no legal authority to impose higher risk based capital requirements on well capitalized credit unions than those that are imposed on adequately capitalized credit unions.

Risk weights in the proposed system are the same for all loans or investments in CUSO investments regardless of type. There is not any change for a CUSO's record of performance so older CUSO's with a record are weighted the same as those that are brand new.

Under the proposal, NCUA has the arbitrary authority on a case-by-case basis to increase the amount of capital a credit union is required to maintain. Even if a credit union is in compliance with the rules as written, NCUA could require even more capital! This power is not justified and is another NCUA overreach.

While Abilene Teachers Federal Credit Union is not engaged heavily in Member Business Lending this rule as written would preclude us from making that choice for our members. How many credit unions already engaged in that lending option in order to serve the needs of their membership will now change their charter to distance themselves from NCUA?

The proposal increases the regulatory burdens of all credit unions, even those under \$50 million in assets. Credit unions would experience costs associated with updating policies, data collection, and updating reporting systems. This is in addition to the countless other regulatory burdens already hampering credit unions from serving their members. All of this extra time creates an expense that takes away from our members. Credit unions have to pay their way, we do not have the NCUSIF that we can continually dip into to fund our budget.

Sincerely,

James Boyd
President/CEO

James Boyd
President / CEO



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