

From: [Bob](#)
To: [Regulatory Comments](#)
Subject: COMMENTS ON PROPOSED RBC REGULATION
Date: Friday, May 23, 2014 1:29:03 PM

From: Robert N Cook
2604 Brook Stone Dr
Chesapeake, VA 23321

To: NACU Board of Directors

Dear Sirs:

By way of introduction, I am a volunteer at Chartway Federal Credit Union in Virginia Beach, VA. I serve as a director on the Chartway Board and on the CUSO Board. I am retired from the federal government after 32 years, of which 4 years were active duty military and 28 years as a civilian accountant for DoD.

The purpose in my writing this email is to give voice to my concerns as a 30 year credit union member who has brought his whole family under the credit union umbrella and I have freely given my free time to serving Chartway because I believe in our driving philosophy of **People Helping People**. I am very concerned that if the proposed regulation goes unchanged irreparable damage will be done to Chartway and the majority of credit unions operating today. The bottom line damage to the members will be our inability to provide higher dividend rates and lower interest rates because of the necessity to hold back so much excess capital. We hear in the news so often that banks and corporations are holding excess amounts of capital while small businesses and working class people cannot get the funds they need to invest in their business or purchase a home for their family. This is normally the gap that credit unions have filled in the past and are still doing today. However, treating us like those who caused the recession of 2009, and ignoring generally accepted accounting principles does not make any sense at all. An example of this scenario can be seen very simply here at Chartway by our merger and acquisition of three troubled credit unions in Utah. Working from a strong base that was well balanced under the current regulations, we did our due diligence in vetting those credit unions and determining the impact on our current net worth. We were able to save those credit unions, bring them under our brand and continue to operate in a well thought out plan. However, one simple part of the proposed regulation regarding the treatment of goodwill shall turn that plan upside down even though we continue to use due diligence in our accounting of goodwill in accordance with generally accepted accounting principles. Should this portion of the regulation go unchanged, we will have to make some major adjustments to our strategic operating plan for the future which will have an adverse impact on our membership.

This is only one example of what is wrong with the proposed RBC plan as written but as I mentioned the impact to our members is grave. I hope that you take my concerns as those of an individual who believes in credit unions and one who is very interested in the continued success of our cooperatives in the future.

Sincerely,

Robert N Cook