

From: [oleg](#)
To: [Regulatory Comments](#)
Subject: Risk-Based Capital proposal comment
Date: Wednesday, May 28, 2014 9:52:21 PM

Mr. Gerard Poliquin
Secretary to the NCUA Board
1775 Duke St
Alexandria, VA 22314

Dear Secretary Poliquin:

Our credit union has just celebrated 60 years of service to the communities of Eastern European immigrants in New York, Massachusetts, California, Oregon and Washington. Real estate loans and small business loans are a large part of our business.

I am writing to address concerns with the current proposal for Risk Based Capital. While I understand the purpose of this rule, I particularly want to express concern in regard to the following:

- Currently, MBLs and CUSO investments have higher risk ratings than delinquent consumer loans. Our credit union provides small-business loans to many underserved and low-income members, and this rule may have an adverse effect on our ability to serve these members. I strongly urge you to research the impact of this part of the rule on the credit union members.
- CUSOs play a significant role in the credit union industry by providing valuable services to individual credit unions. UFCU has investments in CUSOs that provide credit/debit card processing and data processing services. The new rule will force the credit unions like ours to look into other alternatives for these services outside of the credit union industry, which may have a negative effect on our bottom line.
- The risk ratings for various asset categories, like MBLs and CUSO investments need to be reviewed and revised considering the above factors.
- Giving authority to examiners to increase these requirements. The requirements should be clear and concise to give a clear direction to credit union boards and management.

While UFCU has a high net worth and will not have immediate difficulties in complying with the rule, I respectfully request that the board reconsiders the rule as it is currently proposed.

Sincerely,

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