

## Regulatory Comments

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**From:** Monica Giesler <no-reply@cuanswers.com>  
**Sent:** Monday, April 20, 2015 10:18 AM  
**To:** \_Regulatory Comments  
**Subject:** Risk-Based Capital Comment

To: Regulatory Comments  
From: Monica Giesler  
Day Air Credit Union

04/20/2015

Dear Mr. Poliquin:

I am an employee and member of a credit union and I am opposed to the revised Risk-Based Capital regulation. If your goal is to protect the NCUSIF, why implement a rule that will make it harder for credit unions to provide high quality services and rates to their owners? In the last ten years, fraud has caused 41% of failures. Turn your attentions to what matters, don't harm the vast majority of credit unions that have been operating the right way for years. Thank you,

Our credit union leadership team feels that while there is no question the NCUA did make changes in the RBC rule with respect to such items as the definition of "complex" credit unions, eliminating IRR, and extending the implementation timeframe, the impact to the industry if RBC2 is passed remains highly suspect and likely detrimental. Although the proposal was 450 pages, far too many were reviews of the comments and the NCUA's rebuttal or disregard of them. In a vacuum, the changes accepted by the NCUA would appear good but in fact are designed to draw credit union leadership away from impact of the rule as a whole. We believe that the RBC rule will increase costs to members, expand the right of the NCUA to interfere in the governance of credit unions through Prompt Corrective Action ("PCA"), and threaten the financial stability of the industry long term.

Although Congress has stated NCUA must develop risk based capital standards and they must be formulated in a similar fashion as the banking industry, we do not believe Congress wished to create a tax on members and abandon the cooperative principles of credit unions. Since the publication in the Federal Register the actual costs associated with this capital tax have been challenged. Recently NAFCU published an estimate that credit unions will need to raise an additional \$760 million dollars in capital to achieve their current capital levels. Because credit unions only have one source of earnings, that additional capital tax must come directly out of our members' pockets through a reduction in savings rates, increase in loan rates, and potentially changes to transaction fees. We believe NCUA's estimate falls far short of the actual cost to the industry and again focused on the potential risk to the insurance fund rather than those they regulate and ultimately their members. In an effort to remain the best financial resource for our members, we would encourage the NCUA to withdraw the proposed rule altogether.

I am also a member of a credit union. I chose a credit union because they place the focus on members, not profits. I believe the rules set forth will make it harder for my credit union to serve me and my family. The new burdens the rule places on the credit union will make it harder for them to provide the types of services and rates I have come to expect from credit unions. NCUA is not a hammer; don't treat credit unions like nails-listen to the owners and vote no on Risk-Based Capital.

Thank you,  
Monica Giesler

A handwritten signature in black ink that reads "Monica Giesler". The signature is written in a cursive, flowing style with a large initial "M" and "G".

Monica Giesler  
Day Air Credit Union