From:	Gary Soukenik
To:	_Regulatory Comments
Subject:	Comments on Proposed Rule: Risk-Based Capital
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Seven Seventeen Credit Union (SSCU) appreciates the opportunity to provide comments on the National Credit Union Administration's (NCUA) Notice of Proposed Rulemaking pertaining to Risk Based Capital (RBC) as proposed on January 27, 2015.

We believe that the rule is unnecessary, burdensome and should be withdrawn; however, since it appears unlikely that this will happen, we offer the following primary concerns and suggestions regarding the proposal.

Although the current proposal is a vast improvement from the original RBC proposal, we are concerned that it would still place Credit Unions at a competitive disadvantage to other financial institutions. One way to eliminate one of the competitive disadvantages is to modify the proposal to allow credit unions to include secondary capital in meeting the 10% RBC requirement. This will place them on a more level playing field with banks.

Additionally, some risk weights and concentration risk thresholds, as proposed, would require credit unions to hold more capital than banks with similar asset structures. These proposed risk weights and concentration risk thresholds, which are not supported by credit unions' historical losses, force credit unions to become homogenized, one-size-fits-all types of financial institutions, rather than allowing them to offer the types of loans their members and their communities need. Loan diversification provides safety and soundness; therefore, the weights and thresholds should be eliminated in order to allow credit unions to fulfill their member-focused mission as financial cooperatives.

Another primary concern we have involves the proposed requirement for a Capital Adequacy Plan. This subjective requirement would subject credit unions to capital requirements exceeding those in the RBC rule and, like the original proposal, would allow examiners to continually demand additional capital.

In addition to the primary concerns listed above, we encourage NCUA to consider using criteria other than asset size to determine which credit unions will be subject to the RBC rule. We believe that NCUA's complexity index, which considers the makeup of the asset and liability portfolios, is a better measure of complexity.

In summary, we believe that the current RBC proposed rule is unnecessary, will result in substantial costs of compliance and will place credit unions at an unfair competitive disadvantage. Therefore, the proposal should be withdrawn. However, if NCUA chooses to go forward with implementing the rule, we would appreciate your consideration of the above concerns and suggestions.

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