From:	Kyle Brisendine
To:	_Regulatory Comments
Subject:	Kyle Brisendine - Risk Based Capital (RBC2)
Date:	Friday, April 24, 2015 1:34:39 PM
Attachments:	image002.png image003.png

Dear Mr. Poliquin,

As an employee of the Resource One, this letter represents my views regarding the NCUA's revised Risk-Based Capital rule. Although it is commendable in theory, it would leave detrimental outcomes. I fully support the concept for risk-based capital for credit unions, but would like to voice my concern and offer the following comments with the intention on more improvement given its oversights.

The current system works, credit unions came through the last Recession, the worst financial crisis since the Great Depression, just fine. Resource One has long demonstrated consistent growth since it was originally chartered, serving over 50,000 members. Although I believe NCUA has taken steps in the right direction to improve the original capital risk proposal, its revised format still seems to have flaws in its current state. Credit Unions have survived various economic downturns, such as the last Recession. Why is more capital needed, if during the Great Recession, credit unions proved that the movement had adequate capital? The excess capital will come at the expense of our members.

A substantial change in RBC2 was to eliminate higher risk weights for longer-term investments, which is appreciated. We encourage NCUA to refrain from issuing a proposal on interest rate risk that would apply a minimum quantitative measure of interest rate risk to all covered credit unions using some common measurement framework. Interest rate risk should not be incorporated into the risk-based capital system. NCUA already has an interest rate risk rule in place that provides adequate protection. If NCUA feels that additional interest rate risk steps are needed, they should be addressed in the regulatory, examination, and supervision process.

RBC2 proposal increased this threshold from $50 million to $100 million. There are still concerns with the approach of defining credit unions as complex simply based on asset size. NCUA should define complex with factors such as deposit account types, member services, loan and investment types, and portfolio composition. We feel this approach is more consistent with the Federal Credit Union Act which requires NCUA to consider "the portfolio of assets and liabilities" of credit unions when determining whether they are "complex."

I appreciate your willingness to allow me to express my comments on this revised impactful regulatory proposal. I respectfully encourage you to consider additional improvements to the proposed revised Risk-Based Capital (RBC2) Rule in accordance with my views included in this letter. Thank you again for the opportunity to voice my opinions and comments on the proposal.

Cooperatively,

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