

**From:** [Jody McCullough](#)  
**To:** [Regulatory Comments](#)  
**Cc:** [Jody McCullough](#)  
**Subject:** Comments on Risk-Based Capital 2  
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Greetings,

The proposed regulations are fundamentally flawed and ultimately will not accomplish the stated goals. They will also be a tremendous drain on resources, both for credit unions and for the NCUA itself. Even worse, it's quite possible the regulations could make things worse for some CUs that fall on the "wrong" side of the calculations. Raising capital is difficult for CUs, so in order to move a ratio quickly, they may be forced to sell assets. If forced to sell assets into a down market, potential losses could be converted into actual losses. This could easily end up as a lose-lose-lose scenario where the member-owners, the CU, and the NCUA all lose.

Perhaps it would make more sense to focus on some regulations that would make it easier for CUs to raise capital, before passing something that could force some CUs to raise capital.

The proposed regulations would make sense as a guideline or as a tool for auditors to check for certain CUs where the portfolio may need to be examined more thoroughly. This would be a common-sense approach. But trying to pass them as regulations that will affect all credit unions just doesn't make sense. In reading articles about RBC2, one phrase that comes up a lot is "a solution in search of a problem". That seems accurate to me.

Please reconsider these regulations. Thanks,

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