

**From:** [austin@houstonhighwaycu.com](mailto:austin@houstonhighwaycu.com)  
**To:** [Regulatory Comments](#)  
**Subject:** Comments on Proposed Rule: Risk-Based Capital; RIN 3133-AD77  
**Date:** Monday, April 27, 2015 6:39:50 PM  
**Attachments:** [myLetter.pdf](#)

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April 27, 2015

National Credit Union Administration  
Gerald Poliquin, Secretary of the Board  
1775 Duke Street  
Alexandria, VA 22314-3428

RE: Comments on Proposed Rule: Risk-Based Capital; RIN 3133-AD77

Dear Gerald Poliquin,

On behalf of Houston Highway Credit Union, I am writing to you regarding the NCUA's proposed rule governing risk-based capital. HHCU appreciates the opportunity to provide comments on this highly important regulatory proposal.

Enforcing standard compliance for risk-based capital is necessary. Putting a general "one size fits all" rule on credit unions is arbitrary. Our vision for credit unions in America have been completely member focused since the early 1900's. Determining a capital requirement based on banks largely affects this unique nature of our industry and how we operate. Asset size alone cannot determine how we assess risk and therefore should not. As a cooperative system, the volunteers should be able to write an effective policy that plays to the well being of the institution at hand and not forced to conform to the standards of a for profit institution in which we are not.

The simple nature in which the NCUA throws around the word complex is surprisingly undermining. Referring to a credit union as "complex" goes beyond asset size, but includes deposit account types, member services, loan and investment types, and portfolio composition. Unsurprisingly, the complexities vary among diverse populations that credit unions serve. The institution itself should define the complexity of a credit union.

Credit unions may potentially be subject to higher capital requirements than what a final RBC rule provides. The capital adequacy plan seeks to further burden credit unions whose unique strategy may not live up to one examiners expectation. This proposed regulation strengthens examiners to second-guess our efforts and lead us to take even less risk while further burdening our cooperative strategy.

We thank you for the opportunity to highlight our concerns. As a credit union, we have an obligation to best serve our members. We strongly urge the NCUA to consider our recommendations and withdrawal the current RBC proposal.

Sincerely,

Austin McCafferty  
Special Projects and Research Manager

Houston Highway CU

cc: CUNA, CCUL