

From: [Chris Howard](#)
To: [Regulatory Comments](#)
Subject: Comment on the Second Proposed Rule on Risk-Based Capital
Date: Monday, April 27, 2015 11:12:24 AM

Dear Mr. Poliquin,

This is one in a series of 12 substantive blog posts addressing the second Risk-based Capital proposal and published on CreditUnions.com over the last four weeks:

At the GAC this year, one of those almost-subliminal messages that seem to permeate large gatherings amounted to, “Don’t waste your time commenting on RBC this round. It’s a done deal.”

Bovine Excrement!

1. It is NOT a done deal.
2. Even if it was, commenting is still critically important.

Version one received more than 2,000 comments, most very negative. If the revised version doesn’t get at least another 2,000+ negative comments by the April 27 deadline, the folks at the NCUA will conclude they did a great job and the new version is just peachy-keen.

They didn’t. It isn’t.

This is bad regulation — expensive, complex, and of dubious legality. It adds no value and makes regulators a lot more powerful. Some really smart people have pointed this out in immense detail. Now it’s up to the rest of to write in and back those folks up, even if it’s just to say, “I agree with (Board Member McWatters/Doug Fecher/Chip Filson/Jim Vilker) and oppose this rule.”

That’s all our chairman, Chip Filson, is [asking in his blogs](#) and it’s the reason I’m writing this series. To motivate all of you to comment ... to cast your vote in opposition to this useless abomination.

NCUA Chairman Debbie Matz may have made up her mind, but she still has to hold a board vote. Our comments will shape the context of that vote even if they don’t change the outcome. Imagine Chairman Matz’s next appearance before Congress if this effort succeeds:

Committee Chairman: “Ms. Matz, the first version of this rule received over 2,000 comments, almost all of them negative. Please tell the committee how your agency responded.”

Matz: “We heavily revised the rule and reissued it for a second comment period.”

Committee Chairman: “Thank you. Now, during this second period, you received nearly 3,000 comments? Again, almost all of them were negative and in opposition, right?”

Matz: “Yes.”

Committee Chairman: “And what did the NCUA do in response this time?”

Matz: “We adopted the rule.”

Committee Chairman: “So let me get this straight ... you just ignored all those comments?”

And here’s a thought I’ll expand on next time ... to beat this rule, we only have to change one mind.

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