April 27, 2015

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

Re: NCUA Risk Based Capital Rule Proposal

Sent via Fax to (703) 518-6319

Dear Mr. Poliquin,

As a member of a credit union for four decades, I wanted to take this time to comment on the new NCUA's Risk Based Capital Rule proposal.

I have several concerns with the proposal as written, but the most significant is regarding its heavily bureaucratic nature.

Defining a "complex" credit union as any institution with over $100 million in assets is arbitrary and simplistic. Will this threshold be indexed to inflation?

The proposal is trying to set risk limits across the entire industry using very broad definitions. For example, every first mortgage loan does not carry the same risk to the institution or the share insurance fund. Only by individually examining a particular credit union can their true risk be determined and addressed.

The NCUA web-based presentation on January 21, 2015 stated the 19 credit unions would be downgraded under the new rule. Why can't the NCUA work with this handful of credit unions directly using its regulatory authority instead of creating an industry-wide rule?

Due to the broad-based bureaucratic nature of this proposal, it will not be able to identify the true risk to a credit union, but only give the NCUA Board a false sense of capital adequacy.

Thank you for this opportunity to comment on the proposal.

Sincerely,

Dean Birge