April 21, 2015
Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Association
1775 Duke Street
Alexandria, VA 22314-3428

Dear Mr. Poliquin,

This is my second letter about RBC (Risk Based Capital). The first letter commented on the major impact it would have on my credit union and the serious concerns that I thought needed prompt corrective action. I didn't understand then and still don't understand now why this rule is needed. My Credit Union has always been an organization that the members could turn to with trust and receive loans at the cheapest rates possible for their financial needs. Credit Unions have always been an institution to serve its members where banks often turned them away. I myself was disapproved by banks for a car loan when younger, but thankfully a credit union was available and willing to help. I still serve as a volunteer partly because of this.

The RBC2 proposal is not acceptable as written. The Goodwill and the 10 year time limit to get Goodwill off the books will not work. A few years ago Chartway Federal Credit Union was asked to acquire three failing credit unions in the state of Utah. Our Board with due diligence accepted the task using Generally accepted Accounting Principles(GAP) to include goodwill on our books and saved NCUIF from a significant loss. The acquisitions were approved and supervised by NCUA. Goodwill needs to be Grandfathered or not considered in RBC2. This proposed rule regarding Goodwill will essentially change the rule in mid-stream after having our past <u>actions fully sanctioned</u> and approved regarding acquisition of the three troubled credit unions. The more capital that is held to reduce risk, the less we are able to assist our members and grow. The original reason Congress started the Credit Unions existence was to serve the underserved, make financial services affordable and to do this with capital assuaged from profits.

It is known by the industry in order for credit unions to exist today, growth must happen. Credit unions must plan and have a vision as to how this will happen. Increased regulatory demand is forcing many credit unions to disband, fail, be acquired or merge. Holding back capital that would help members and provide more profit and growth to the credit union is alarming in this age of growth and high cost. The credit union did not cause the problems leading to the recession. We did just fine because of our financial principles and will continue to do so without additional regulatory burden. Currently I know of no problem that needs to be fixed by this rule.

With all that said, it is understandable that things change. What is important to me is that you consider with your knowledge the impact on Credit Unions and their growth.

Sincerely,

Dallas England

Dallas England
1865 Laurel Oak Lane
Virginia Beach, VA 23453
Copy to:
Congressman Scott Rigell
Senator Mark Warner
Senator Tim Kaine