



April 10, 2015

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

Dear Mr. Poliquin:

I am once again writing to you asking that you withdraw the proposed rule on Risk-Based Capital. It was a poorly executed idea from the start and even the improvements in the second proposal do not make up for the overall flaws in the ruling. In very general terms, it is not needed, you will not get the results you intend on getting, and you will end up crippling the industry as a whole at a time when it needs continued momentum.

A very simple way of point out the flaw is to look at one credit union as an example, Capitol Credit Union from Austin, Texas. Their risk-based capital percent is above the threshold you have established which according to your rule makes them adequately capitalized. But what is their regulatory capital ratio? It's below 6%!!! You have just ADDED to the risk profile of the industry rather than mitigated it. I wonder how many more credit unions now seem less risky because of your proposed rule.

And what results are you intending to achieve with this? CUNA did a study and found that only one of the 189 credit unions that failed would have fallen under the threshold. By my calculation that makes the rule a failure.

Unnecessarily holding capital simply means that it is not being returned to the member in the form of better rates or being reinvested into credit unions in the form of infrastructure or technology improvements that create better service. Would rather just become complacent and hold cash as an industry? At least that's what this rule is asking us to do. You will lose any competitive momentum the industry has had in the past 10 years and set us back another 20 in relation to the banks. Please don't let this be your lasting legacy.

The impact on our credit union's membership would be devastating as well. We are a lending institution and have lent to our membership during the financial crisis when banks tightened their credit standards. We have helped people make it through the tough times and we would like to be there for them when it happens again. This rule completely changes our ability to do just that.

In summary, I respect the intent of this rule, but the effectiveness and undesired consequences to the industry as a whole and to our membership are just too great to allow it to pass. Please consider the complete withdrawal of this proposed rule.

Sincerely,  
Ryan Fisher

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