

Monday, April 27, 2015

Delivered via email: regcomments@ncua.gov
SUBJECT: L. Wayne Mansur, Texoma Community Credit Union
Comments on Proposed Rule: Risk-Based Capital Rule: RIN 3133-AD77

Gerard Poliquin, Secretary of the Board
National Credit Union Administration (NCUA)
1775 Duke Street
Alexandria, VA 22314-3428

Dear Secretary Poliquin:

I appreciate the opportunity to write regarding the Risk Based Capital 2 Rule. I am writing in opposition to the proposed Risk Based Capital 2 (RBC2) Rule. This new rule is neither needed nor will it be helpful.

As president & CEO of Texoma Community Credit Union (TCCU), of Wichita Falls, Texas I am charged with protecting the blessings of this credit union and its 12,156 members. It is clear RBC2 is not needed.

TCCU did not need the concept of RBC2 in 1997 and 1998 we suffered financially. (See our Call Reports for two horrible financial years.) With the help and guidance from our two regulators, Texas Credit Union Department and National Credit Union Administration (NCUA), TCCU worked its way through these financially troubling times.

Please tell me how many credit unions would have been saved from financial disaster during the recent "Great Recession" if RBC2 had been in place? How much did these credit unions cost the NCUSIF? It is clear that more unnecessary regulations outweighs any benefits. What is "broken" that RBC2 fixes?

It is ironic that NCUA is loudly claiming it is reducing regulatory burden while at the same time creating this additional regulation in the RBC2 Rule. This makes no sense. Further, if this Rule is necessary why is it not implemented for several years? This makes no sense! Either there is a problem or there is not.

NCUA's actions leads one to believe NCUA does not believe the RBC2 Rule is needed. Further, NCUA actions indicates it believes the Rule does not provide much value to credit unions. Why is this true? If in fact the rule was needed, why is the Rule not implemented until several years from now? Second, there is little value in the Rule; otherwise the Rule would have been implanted prior to Dodd-Frank. We don't need Congress to tell us how and when to create rules. We credit union employ a regulator to create rules as needed. If it were not for the Dodd-Frank legislation we sincerely believe there would be no RBC2. So why was the concept of RBC2 not implement before Dodd-Frank? Because there is not a real need nor any concern. Why is the Rule being proposed long after the financial crises is over? Because of a need? I think not.

NCUA makes it clear that the reason for creating the Rule is because “Frank-Dodd requires the rule” and further that “credit unions need a Rule like the banks.” Really?! The financially safe and sound credit unions need to be regulated more like banks? Is this really what my NCUA believes? Cannot NCUA see that to regulate credit unions more like banks only will make credit unions more like banks—wasn’t it the banks that had far more losses and needed billions of dollars to be bailed out? Why would any credit union want to be regulated in similarity to the banks which performed poorly in the recession?

Supposedly RBC2 is to fix a problem. Let’s use a patient, doctor and prescription scenario to illustrate the my point for NCUA’s perceived problem. When a patient sees the doctor for a problem, does the doctor wait years to prescribe the solution; and then only after the patient is out of harms way? Of course not! So why does NCUA perceive there is a problem...or in fact isn’t NCUA simply trying to over-regulate credit unions.

Larger does not necessarily mean “riskier.” Surely NCUA is aware of large credit unions who have limited risk on its balance sheet. And clearly NCUA is aware of small credit unions that took on large amounts of risk onto their balance sheets and failed. Just because a credit union meets a pre-determined asset size does not mean it has all the sudden become “riskier.” Do not use the flawed “one size meets all” method of regulation. Regulate to a prescribed need. To continue the doctor/patient/prescription illustration—don’t over-medicate, and medicate only those in need of medication.

I am trusting my NCUA regulator will act with the wisdom of a doctor, and with the common sense of credit union members, I ask NCUA to stop wasting my money, time and resources on this RBC2 Rule.

Sincerely,

/s/

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