

From: [Kim S. Pallas](#)
To: [Regulatory Comments](#)
Subject: RBC2 Comments to NCUA- GenFed Financial Credit Union
Date: Monday, April 27, 2015 2:17:48 PM

To: Regulatory Comments
From: Kim Pallas
GenFed Financial Credit Union, Inc.
04/27/2015

Dear Mr. Poliquin:

Thank you for another chance to share our credit union's views on NCUA's proposed Risk Based Capital via the revised RBC2 comment period. However, we must continue to vote "no" on RBC2 as we did on the original RBC, due to the skewed direction this type of ruling would take for all credit unions, including our own.

RBC2 would disrupt and threaten the cooperative nature of our credit union, which was not built on large amounts of capital and does not continue to thrive from copying a bank structure. We offer cutting edge services and features at lower costs to our members, yet our members' (and all credit union members') unique option for affordable financial security through credit union cooperatives will be adversely impacted if we and other credit unions begin to have to act, or think, or react like a bank due to the imposition of RBC2. Congress never intended for the NCUA to develop rules that do not take into account the diversity of credit unions. The proposed arbitrary asset cut-off point is contrary to the mission Congress provided to the NCUA: to take in account the special nature of our members' relationship with GenFed and every credit union.

We believe the RBC2 rule is over-reaching and one-size-fits-all, which is not a good direction for the unique nature of credit unions! This proposed ruling, even the second version, undermines our credit union's (and every credit union's) cooperative structure which is what makes us viable and strong. We vote that the rule be thrown out in entirety. If not, we strongly request that the NCUA consider further amending the proposal to include the following:

- Dropping the new proposed capital adequacy provisions, which are beyond net worth and risk-based capital ratio requirements;
- Reduction of a number of the risk weights;
- Expansion of the conditions under which goodwill could be included in the risk-based capital ratio;
- Minimizing the burden of expanding the call report for purposes of RBC2; and
- Allowing credit unions to use supplemental capital in meeting risk-based capital requirements.

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