

**From:** [Jim Lawrence](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Risk-Based Capital Comment  
**Date:** Tuesday, February 10, 2015 11:04:17 AM

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From: Jim Lawrence  
CU\*Answers

02/10/2015

Dear Mr. Poliquin:

Even though Congress has recently tasked the NCUA to develop risk based capital standards similar to those in the banking industry, we do not believe Congress intended to create a tax burden on members, their families, and communities, and abandon the tightly-held cooperative principals of credit unions. Since first published in the Federal Register, the actual costs associated with this capital tax have been challenged. Recently NAFCU published an estimate that credit unions will need to raise an additional \$760 million dollars in capital to achieve their current capital levels. Because credit unions only have one source of earnings, that additional capital tax must come directly out of our members' pockets through a reduction in savings rates, increase in loan rates, and potentially changes to transaction fees. We believe the NCUA's estimate falls far short of the actual cost to the industry and again focuses on the potential risk to the insurance fund rather than on those they regulate; ultimately the members. In an effort to remain the best financial resource for our members, we would encourage the NCUA to withdraw the rule as proposed and address capital reform in Congress.



Jim Lawrence  
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