
From: Tony Muka <no-reply@cuanswers.com>
Sent: Thursday, February 12, 2015 8:13 AM
To: _Regulatory Comments
Subject: Risk-Based Capital Comment

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From: Tony Muka
CU*Answers

02/12/2015

Dear Mr. Poliquin:

The NCUA and the credit union industry would both be served better if the formulas and risk weights within RBC were not given the force of law. Do not force my credit union to institute changes both potentially drastic and unwarranted in our balance sheet to meet these arbitrary weights.

The NCUA should reconsider implementing a two-tiered RBNW that is at odds with the agency's past interpretation of its powers, and which conflicts with the plain language and intent of Congress. Not only has an NCUA Board Member strongly dissented from the NCUA's proposed Rule, but the legal foundation the NCUA is relying upon is weak. Much of the weaknesses in the NCUA's arguments can be found directly in the memo prepared by the Paul Hastings, LLP, law firm, for the NCUA Board.

Our credit union believes the RBC2 rule would undermine the cooperative and diverse nature of our charters by creating a one size fits all over-reaching capital formula. This is a massive flaw of the NCUA's structure as regulator and insurer. We believe this is a myopic view of cooperatives and only considers our equity funding mechanism. A cooperative is a like group of individuals banning together to own a business that is guaranteed to meet their similar financial needs. The arguments and logic of the rule misapplies what is done successfully at a local or institutional level, to an entire system. Because of this I would respectfully recommend the rule be thrown out and at best become a matrix the NCUA would use in the exam process only.

A handwritten signature in black ink that reads "Tony Muka". The signature is written in a cursive, flowing style.

Tony Muka
CU*Answers