

## Regulatory Comments

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**From:** Jalyn Lindeman <no-reply@cuanswers.com>  
**Sent:** Friday, February 27, 2015 3:32 PM  
**To:** \_Regulatory Comments  
**Subject:** Risk-Based Capital Comment

To: Regulatory Comments  
From: Jalyn Lindeman  
Xtend

02/27/2015

Dear Mr. Poliquin:

I believe the revised RBC rule penalizes credit unions for specific activities such as real estate lending, member business lending, and credit unions chartered to assist the un-bankable by placing a capital tax on the resulting assets of low income or poor credit lending. We believe the end result will be thousands of homogenous balance sheets in 2025 that you can easily understand from a supervisory perspective. However, this current risk posture of the NCUA cannot fail but to lead credit unions to shy away from diversity or cooperative reason for the charter and field of membership. The end result of this rule will ultimately force credit unions into potential areas of investment and lending that the credit union lacks experience with or create industry wide concentrations that could be impacted by similar economic variables. In and of itself, this rule creates more risk than it proposes to control.

The NCUA is straining hard to justify its legal interpretation of a Rule that has significant practical problems. The \$100,000 asset size cut off is arbitrary. The risk weighting is arbitrary. Adherence to this rule could cause credit unions to build up concentrations in assets that turn out to be risky. Why doesn't the NCUA allow for a rule that allows for supplemental capital, which would likely be far greater benefit to the industry and greatly reduce the risk to the Share Insurance Fund? Finally, why should the industry accept RBC when it suffers from these problems and may very well be an overextension of the NCUA's authority in any event?

When CUs are engaged in a daily, hand-to-hand struggle to help folks improve their lives, to encourage their hopes, to educate their kids, and to find a way to stretch shrinking paychecks to the end of the month: then yes, I get angry and incensed by silly people, sheltered from accountability and the hard realities of this desperate economic struggle who recklessly and insensibly make our tasks unnecessarily more difficult. RBC needs to go.



Jalyn Lindeman  
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