

Regulatory Comments

From: heather steele <no-reply@cuanswers.com>
Sent: Wednesday, March 04, 2015 5:55 PM
To: _Regulatory Comments
Subject: Risk-Based Capital Comment

To: Regulatory Comments
From: heather steele
south bay credit union

03/04/2015

Dear Mr. Poliquin:

Our credit union's board of directors believes this rule is overreaching as many of the failures this proposed rule is trying to mitigate do not even take into consideration the reasons for the losses during the great recession. As has been depicted during the board meeting and in the proposal, over 40% of failures were the result of fraud; all of us have been following the St. Paul Croatian's fraud loss dilemma, which cost the insurance fund \$170 million dollars to date. Economic policy had nothing to do with many of these losses, regardless of the shape of credit unions' balance sheets. The idea that passing a rule—a seemingly typical government reaction—can stop fraud, eliminate mismanagement and prevent external circumstances from decimating credit union's market environment is wrong. Effective supervision is not rule making, it is intelligent supervision and patient reorganization when problems arise. This is lacking in our cu regulatory community today.

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.

A handwritten signature in black ink, appearing to read "Heather Steele". The signature is written in a cursive, somewhat stylized font with a large initial "H".

heather steele
south bay credit union