Please Do Not Reply To This Email.

Public Comments on Risk-Based Capital:========

Title: Risk-Based Capital
FR Document Number: 2015-00947
RIN: 3133-AD77
Publish Date: 1/27/2015 12:00:00 AM

Submitter Info:
First Name: Rishay
Last Name: Patel
ZIP/Postal Code: 93908
Email Address: rishay123@gmail.com
Comment:
In this proposed rule by the National Credit Union Administration one of the specifics of the proposal is changing the current risk-based worth ration with one that is lower. This change would lessen the number of loans they give because they would no longer give loans to higher risk people. Credit Unions insured by the government have holding assets of about 1.1 trillion dollars and in the end if a high-risk loan cannot be paid back then the government is left holding the bill. I am strongly in favor of lowering the risk based ratio because it will stop credit unions from loaning money to people who have a high risk of not paying their loan back. If credit unions continue giving high risk loans than the economy will grow due to people spending on credit and eventually the bubble will burst and we will have a repeat recession as we did with the housing crisis. Some might say that reducing the risk ratio will hurt the economy because many people will not be getting the loans they need in order to start a business, but historically when high risk loans are too easily available the economy has eventually fallen into a depression. With a lower risk ratio on loans the economy will be more stable and thus keep a steady growth in the markets.

In this proposed rule by the National Credit Union Administration one of the specifics of the proposal is changing the current risk-based worth ration with one that is lower. This change would lessen the number of loans they give because they would no longer give loans to higher risk people. Credit Unions insured by the government have holding assets of about 1.1 trillion dollars and in the end if a high-risk loan cannot be paid back then the government is left holding the bill. I am strongly in favor of lowering the risk based ratio because it will stop credit unions from loaning money to people who have a high risk of not paying their loan back. If credit unions continue giving high risk loans than the economy will grow due to people spending on credit and eventually the bubble will burst and we will have a repeat recession as we did with the housing crisis. Some might say that reducing the risk ratio will hurt the economy because many people will not be getting the loans they need in order to start a business, but historically when high risk loans are too easily available the economy has eventually fallen into a depression. With a lower risk ratio on loans the economy will be more stable and thus keep a steady growth in the markets.