

## Regulatory Comments

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**From:** Esteban Camargo <no-reply@cuanswers.com>  
**Sent:** Thursday, March 26, 2015 5:09 PM  
**To:** \_Regulatory Comments  
**Subject:** Risk-Based Capital Comment

To: Regulatory Comments  
From: Esteban Camargo  
CU\*Answers

03/26/2015

Dear Mr. Poliquin:

I write to voice my concerns with respect to the revised Risk Based Capital (RBC) Regulation. The complaints the NCUA has received as it relates to the Rule are well documented and far ranging; I will touch on those that cause the greatest concern to me.

As an employee of a Credit Union Service Organization (CUSO), I am unsatisfied with the concessions the NCUA made on the ridiculous requirements that were proposed to be placed on CUSO investments with the initial pass of RBC. Although reducing the risk weight from 250% to 150% for unconsolidated CUSO investments is substantial, it is still an unnecessarily high weight based on a claim of "substantial CUSO losses" with little data to support it.

CUSOs, like the credit unions they serve, were founded on the principles of collaboration; pooling resources and working together to improve the financial well-being of those involved. The proposal blankets the entire CUSO industry as one too risky for credit unions to be meaningfully involved with despite decades of proof showing reduced operating expenses and increased income generation. There is no doubt the credit unions we serve have benefited from the power of collaborative bargaining of vendor services, and as a 100% credit union-owned CUSO, we invest to improve all member-owners' ability to provide high-end services to their members, whether that CU is big or small.

More generally, beyond the CUSO weight that was seemingly pulled out of a hat without any prior research (and what other reason is there to concede a 100% reduction in the proposed weight other than that it was arbitrarily chosen in the first place?), the Rule applies a one-size-fits-all approach to credit union governance. Admittedly, with an over-simplified Rule such as this, it would make for a much simpler job for the NCUA. But since when is it the role of regulators to serve their own interests over the interests of those they are meant to serve? The Rule doesn't protect the NCUSIF, it endangers it by harming credit unions' ability to compete and grow.

Given the dangers RBC represents to the credit union industry at large, and thus to the NCUA itself, it is my recommendation that the Rule be withdrawn completely until a more meaningful and targeted approach can be devised.

Esteban Camargo

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