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

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Comment:
April 2nd, 2015

Gerard Poliquin
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia   22314-3428
Re: RBC (2) Proposed Rule for Credit Unions
Mr. Poliquin:

O Bee wishes to thank the board and staff for another opportunity to comment on the proposed Risk based capital rules.
The newest iteration of the rules includes changes in many of the areas of first concern and as such, shows willingness for the NCUA to listen to its credit union audience on something that is of great concern.
O Bee supports the move to identify a level of adequate capital for credit unions which protects both our membership and the entire industry. While an inadequate level of capital was rarely the cause of any failure during the previous economic period, higher levels in certain credit unions could have alleviated some of the pain.
But for all cures there is a cost. The cost in this case, is higher capital levels for the vast majority of credit unions. Higher capital, by default, reduces the amount of capital available for growth and to help members in times of need. This is something that must be kept in mind.
This reminds me of when our own credit union was faced with the closure of its primary SEG the Olympia Brewery. While the credit union was faced with economic uncertainty, this paled in comparison to the problems faced by its many newly unemployed members. Both hurt during this time but because of the common bond, both persevered.
One way to alleviate this issue is by allowing for the use of supplemental capital, from all sources - as long as it is clearly defined and advertised to those purchasing this type of debt. It is difficult to see the drawback of having capital available in such a manner.
Thank you for your time,

James Collins
CEO
O Bee Credit Union

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