

From: mrbaechle@comcast.net
To: [Regulatory Comments](#)
Subject: NCUA Loan Participations Proposal Comments
Date: Friday, January 13, 2012 4:31:15 PM

Mary Baechle
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January 13, 2012

NCUA National Credit Union Administration

Dear NCUA National Credit Union Administration:

I would like to share the following comments with the NCUA Board in regard to its proposed rule on loan participations:

The proposed rule would revise NCUA's existing loan participation rules for state and federally chartered, federally insured credit unions that purchase participations in loans originated by other credit unions.

- The proposal inappropriately uses a "one-size-fits-all" approach to address credit unions' loan participations.
- NCUA has not provided sufficient justification for the proposal.
- The proposal raises concerns regarding dual-chartering; it would remove states' flexibility in dealing with loan participations by state chartered credit unions.
- The proposal is contrary to the President's Executive Order for agencies to improve the regulatory environment.
- The proposed concentration limits are arbitrary. These include proposed provisions to: (1) limit loan participation purchases from a single originator to 25% of the purchasing credit union's net worth; (2) limit loan participation purchases involving a borrower or group of associated borrowers to 15% of the purchasing credit union's net worth; and (3) require the originating lender to retain 10% of the loan throughout the life of the loan.

I appreciate the opportunity to provide input on this very important NCUA proposal.

Sincerely,

Mary R. Baechle
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