

From: [rlcowherd](#)
To: [Regulatory Comments](#)
Subject: NCUA Loan Participation Regulations 12 CFR (Parts 701 & 741):
Date: Friday, February 03, 2012 1:57:38 PM

Attention: Ms. Mary Rupp, Secretary, NCUA,

We are a small FCU of \$4,400,000 Assets approximately. We are Church related, and loan to Churches in our three state area of ND, SD and MN. While we are required to structure them as MBL's, they are real estate loans only. We are not allowed to make operating loans to Churches. We sell a portion of these loans on Participation.

We have transacted 40 Church loans since the inception of our program in 2004, loaning out a total of \$11,280,000. Fifteen Churches have already paid their loans in full. Loans have varied in size from \$34,000 to \$1,000,000, with an average loan size of \$282,000.

They are not risk concentrated in any one area, because each Church loan is independently based upon the economy of its individual geographic location. However, your proposed rule could place limits on them by saying they are risk concentrated.

Our healthy Church loan program is enabling us to rebuild our Net Worth from the loss of our Membership account at our Corporate FCU and from charges from NCUSIF Premium Assessment to help rebuild failed Credit Unions. There is no reason to cripple us by limiting our income from a proven, healthy loan program.

We have never had a loss on a Church loan. We have never even had a Church loan on the Delinquency List. We do not bundle our loans. Each is sold on participation based upon its individual strength. We qualify our borrowers carefully, and work within NCUA Rules and Regulations.

Your proposed rule would have a significantly negative impact on our Credit Union. In fact, it will have a negative impact on all Credit Unions that have Participation programs. Your desire to protect purchasers of participation loans are based upon situations that are nothing like ours.

Please vote "NO" on this proposed rule. **Better oversight by Federal Regulators would eliminate the need for this proposal.**

Also, please exclude real estate loans to Non-Profit Institutions from this proposal. They are very different from home loans and business loans. Thank you so very much for your time and consideration of this issue.....

Yours Very Sincerely,

Robert L. Cowherd

Board Member

United Methodist First Choice FCU
Rapid City, South Dakota