



February 14, 2012

Mary Rupp, Esquire
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Proposed Amendments to 12 CFR Parts 701 and 741 Pertaining to Loan Participations

Dear Ms. Rupp:

Prospera Credit Union respectfully desires to comment on the proposed amendment to the loan participation regulation.

Prospera Credit Union is an owner of Business Lending Group (BLG) a business lending CUSO that is wholly owned by four credit union members. Our business model is based on the ability of credit unions to share risk and opportunity through the participation of member business loans originated through BLG. Over the years our loan participation process has allowed Prospera to serve the business needs of our membership while sharing the risk associated with a business loan portfolio.

The proposed changes to the participation regulation threaten the viability of our established, successful CUSO model. The majority of BLG's loans are sold internally between its credit union members, resulting in participation totals that far exceed the 25% limit that is being proposed in the regulation. Therefore, the implementation of the new participation amendment would cripple Prospera's ability to conduct member business lending.

The nature of our CUSO requires an intimate partnership amongst the owning credit unions and BLG. This is reflected in the fact that the BLG Board and various committees consist of representatives of our credit union. These representatives work closely together in partnership to ensure that member business lending is accomplished with utmost care and is conducted in a manner consistent with sound lending practices. Because of this intimate partnership, any associated risk is significantly mitigated through the open communication and availability of any pertinent information relative to loans that are originated through BLG. In other words, Prospera has available to it all of the information needed to properly evaluate loans, whether they are the lead credit union or a participant in any BLG-originated loan.

In light of the reasons outlined above, we respectfully ask that the NCUA reconsider the 25% limitation as proposed in the amendment. We suggest that the amendment as currently worded is too broad in scope and is in need of fine-tuning to account for situations such as ours. At a minimum, we suggest that the NCUA make available a waiver of the 25% limitation for credit unions involved with a business lending CUSO's whose members are jointly involved in the credit decision process. It seems logically inconsistent that a waiver may be granted to allow credit unions to lend more than 15% of net worth to a single borrower, and at the same time disallow a waiver for aggregated loan amounts to numerous borrowers totaling greater than 25% of a lead credit union's net worth.

We concur with the need to ensure that all loan participations be underwritten with stringent standards, and will continue to perform our responsibilities with high standards and prudent practices in order to ensure that lending risk is mitigated so our credit union can maintain sound and successful member business lending programs.

Very truly yours,

A handwritten signature in cursive script that reads "Sheila Schinke".

Sheila Schinke
CEO
Prospera Credit Union