

From: [Darrell Olson](#)
To: [Regulatory Comments](#)
Cc: [Robbie Thompson](#)
Subject: Darrell Olson Comments on ""Proposed Rule on Loan Participations""
Date: Thursday, February 16, 2012 4:50:08 PM

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

Re: Comments on Proposed Rule on Loan Participations

Dear Ms. Rupp,

I am on the board of directors for the Credit Union Association of the Dakotas and am aware that they are commenting on the loan participation proposed rule. I feel strongly enough about this proposed rule that in addition to their response on behalf of all the credit unions in the Dakotas, I wanted to individually respond also. I do not want to reiterate those comments so will keep my comments brief and to the point.

- Town and Country Credit Union (TCCU) originates and sells many loans throughout the year as well as purchasing participation loans. We have a strong loan origination underwriting system and due diligence system for loans purchased. We have been very successful with our participation business. The suggestion to limit loan participation purchases involving a single originator to a maximum of 25% of an institutions net worth would definitely have an adverse affect on us. Instead of dealing with institutions that we know very well and in geographical areas that we are familiar with, we may be forced to expand into other areas not nearly as well known to us.
- TCCU is a part owner of a member business lending CUSO. This CUSO was developed with the thought that it would be beneficial to many of us smaller credit unions in the Dakotas. One thought was that it could originate MBLs and sell them not only to the member owners of the CUSO, but to all interested credit unions especially in the Dakotas. With the 25% limitation, this would severely restrict our small credit unions ability to participate with the CUSO that they would be most familiar with.
- It appears that although there may be some issues with a few credit unions around the country, a shotgun approach is being suggested instead of the rifle approach. I would encourage you to take a look at the Dakota credit unions and TCCU in particular to see how our delinquency and charge off numbers look.
- With this proposed rule, it appears that NCUA is usurping states authority and feels they are in a better position to make decisions that affect us instead of leaving those decisions to be made locally. We feel that we have a strong Department of Financial Institutions right here in North Dakota. They know very well what is going on in our state and what the individual financial institutions are doing. In your proposed rule, you request comments on ways to eliminate potential conflicts between NCUA and the local state regulators regarding this rule—my suggestion is to leave it alone and drop this proposed rule altogether. I would go one step further and say that it borders the old thought of creating a solution to a problem that does not exist.
- Finally, this would become one more regulatory burden at a time when everyone is looking for relief.

Thank you for taking the time to allow me to respond and keep in mind that this response is from me only and is not intended to represent any other institution in the Dakotas.

Darrell Olson

President/CEO
Town & Country Credit Union
701-852-2018



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