



Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexander, Va 22314-3428
Email: regcomments@ncua.gov

August 12, 2011

Re: Comments to the Proposed Amendments to the NCUA Regulations
Regarding CUSO's 12 CFR Parts 712 and 741

Dear Ms. Rupp,

The company that I serve as the President of, Mortgage Center L.C., is a credit union owned CUSO in Southfield, Mi. I am writing to express my concern over the aforementioned proposed regulations.

Mortgage Center has become a trusted partner for 75 Michigan credit unions, and their members. We provide fixed rate mortgage financing to the membership while adding value to the credit unions themselves. We have taken pride in the results we have achieved, even in the face of a recession that has devastated the state of Michigan, where the vast majority of our portfolio is. As a CUSO, we hold the servicing for these member loans and insure that they receive first class service. This has proved especially beneficial during this economic downturn. We maintained strong underwriting standards when others did not. As a result, our reportable delinquency rate is 1.39%, less than what it was when the recession started. Our foreclosure rate is 1.85% which compares to the 6%-8% rate that is reported for the state of Michigan. We were recently audited for HAMP compliance in the loss mitigation department and received a 98% rating. We have modified 87 million dollars in mortgages, and 76% of those loans are still current. Mortgage Center has been profitable every year since 1995. Since 2000, we have provided \$20,487,000 in direct income to our credit union owners, and provided affordable, responsible financing for thousands of Michigan homeowners. In short, I believe we are providing a valuable service to the membership, while making strong contributions to the health of our credit union partners.

The proposed regulation would impose regulatory burdens on us that would put us at a competitive disadvantage. Our business plans and models would be collected and become available to our competitors through Freedom Of Information Requests. In addition, it would require us to allocate precious resources toward the compliance effort.

A specific burden that we may face, involves the treatment of subsidiaries. Mortgage Center has a 47% interest in a Title company joint venture that we created 10 years ago. This venture has allowed us to provide a much higher level of service to our members than we were previously able to provide when we had to use unaffiliated vendors. This is possible because of the control that we are able to exercise over the process through our ownership position. This venture has been profitable every year because of the cost/expertise sharing between Mortgage Center and our title company partner. Under the proposed rule, this arrangement would not be allowed.

I would be of the opinion that enough regulatory authority currently exists to effectively monitor the CUSO landscape to spotlight a CUSO that is exposing the credit union movement to risk. Please withdraw the amendment.

Respectfully Yours,

Dave Toepp
President/CEO

20300 Civic Center Drive, Suite 403
P.O. Box 2171
Southfield, Michigan 48037-2171
P: 800.353.4449 | F: 248.353.2818
www.mortgagecenter.com

New Loan Inquiries: 888.562.6865 | Payments, Taxes & Insurance: 800.454.0356