



February 14, 2012

Ms. Mary Rupp
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Subject: Proposed Amendments to CFR Parts 701 and 741

Dear Ms. Rupp,

UniWyo Federal Credit Union has been involved in loan participations through a CUSO (Centennial Lending) for over 7 years. During this time we have built the amount of participations in business loans to approximately \$6.7 million dollars. As a credit union with \$220 million in assets and loans of only \$109 million every loan dollar is precious to us. While we would not be affected immediately by the new regulations as proposed, we do have a concern with how they are currently written.

The proposed regulation would limit participation interests from a single originator to 25% of our net worth. Since we get all our business loan participations through Centennial, and Centennial gets all their loans from other credit unions, we could conceivably run into a situation where one of the larger credit unions in Colorado, by making multiple loans available for participation, could be an originator of a total amount of loans in excess of this new limit. We do not think this limit is necessary, at least not in our case. If it is deemed necessary we would ask that we be allowed to seek a waiver from this restriction. If credit unions can demonstrate that they are adequately capitalized and can adequately manage the risk involved we see no reason that waivers could not be granted.

The loans in which we participate are from a broad spectrum of borrower and collateral types. We usually obtain between 5% and 20% of the loan. The loans are first approved by the originating credit union, then by the staff at Centennial and must also be approved by a majority of the loan committee which consists of member credit unions with commercial loan experience. Finally we review the loan before making a commitment of our members' money. As of this date, we have not lost even one dollar from the loan participations obtained through our CUSO. The overall delinquency for loans through Centennial is well under one-half of one percent.

We would like to continue to obtain these loans that allow us to diversify our loan portfolio into loans that are higher yielding and have the ability to adjust higher as rates rise. We think that this system of

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obtaining loans helps us improve our risk management as well as increase our loan portfolio. We would like to be able to do this without the need for further time-consuming regulations.

Best regards,

A handwritten signature in black ink, appearing to read "Larry Knopp".

Larry Knopp
President

A handwritten signature in black ink, appearing to read "Susan Bury".

Susan Bury
Vice President Lending