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Via Electronic Mail

February 14, 2012

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

Re: Proposed NCUA Rules on Loan Participations

Dear Ms. Rupp:

I am writing as a CPA in public practice and currently serving a three year term as board chair of America's Christian Credit Union.

Our board and management have regularly discussed the issues of oversight and regulation in our monthly board meetings. We understand the vital role in interpreting many of the complex rules and regulations governing credit unions. Accordingly, of great concern to our board are the current NCUA proposed changes to loan participations, provided to our ACCU board by management.

Often well-intentioned regulations and rules changes generate unintended and extremely adverse consequences, rather than achieve the intended protection. In my view these proposed rules changes, if implemented as proposed, create additional restrictions which would have significant and unintended negative impacts to the credit union industry and actually create more systemic risk to the share insurance fund. Prior to implementing such changes I request the NCUA take the following prudent steps and due diligence to address significant concerns:

- Provide supporting analysis for review by credit unions as to how the proposed rule changes improve the safety and soundness of the industry;
- Discuss, evaluate and publish an impact analysis of the negative impacts to the industry and how the NCUA will mitigate these impacts;

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- Rather than make the proposed changes, address the need for enhanced examiner training to address more complex participation and lending issues as an alternative to simply expanding existing regulation; and
- Consider enhancing the underwriting standards for loan participation sellers and providing potential purchasers with a due diligence checklist to improve examiners' ability to assess these programs.

Management has reviewed the estimated adverse effect of these provisions, and provided us a copy of their response to NCUA regarding the proposed rules. We believe the issues and concerns contained within their response have great merit, based upon extensive experience with loan participation programs, and should be addressed and remedied prior to any implementation.

Sincerely,



David O. Morse, CPA