February 17th, 2012

Elm River Credit Union
PO Box 33
Page, ND 58064-0033

RE: Comments on Proposed Rule on Loan participations

Agricultural loan participations have been a steady source of income over the last 18 years for Elm River Credit Union In that we have been able to retain borrowers that were over our lending limit. We have developed relationships with credit unions through the years however as with most of my colleagues, you ultimately focus on one relationship due to service fees, philosophy, and customer service. Some larger credit unions are very responsive to smaller credit unions needs and some simply want to take us over. We have on occasion had exceeded the 25% of the participating credit unions net worth from one originator and this would have forced us to do busy with a less desirable credit union or lost the borrower. This is another regulation that in favors larger credit unions. The 25% aggregate and maximum amount pushes the industry to larger credit unions. Why does the NCUA do this?

Even more discouraging is the proposed requirement that once a loan is sold, it must remain sold through duration. Once a borrower pays down his debt on other loans, thus leaving his debt under the 15% requirement for MBL's why not allow my credit union the option of being allowed to purchase back the loan participation and keep the revenue on my income statement as opposed to the larger participating credit union. Again, the NCUA passes regulations to provide a competitive advantage to large credit unions. Why does the NCUA do this?

We are a small agricultural credit union that had nothing to do with the meltdown in 2008. Why are you penalizing us? Have we not paid enough in additional fees and loss of PCB at our corporate? If you want us to close our doors, just say so while we are in strong financial condition. Do not fee us and pass regulations contrary to our interests until we no longer can survive creating more losses for the NCUSIF.

The requirement that no participation loans can exceed 15% of the originating credit union's net worth is enough change in the regulation to fix most of the previous problems encountered which is consistent with MBL regulations. Please do not go beyond that!!

Erin Olstad,CEO