

February 21, 2012

Mary Rupp, Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexander, VA 22314-3428  
Via Email: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: Proposed Amendments to NCUA's Loan Participation Rule (12 CFR Parts 701 and 741)

Dear Ms. Rupp:

Bellco Credit Union is pleased to submit this comment letter in response to the NCUA's request for comments on its proposal to amend its existing regulatory requirements affecting credit union loan participations. By way of background information, Bellco Credit Union is a Colorado state-chartered credit union with in excess of 200,000 members and over \$2 billion in assets.

Loan participations as they currently exist are valuable ALM tools for both buyers and sellers alike in regard to interest rate and liquidity risk. However, the expansion of loan participation rules to state-chartered credit unions under the auspices of safety and soundness is not warranted and will pose an unnecessary burden to Bellco's existing loan participation program. Both the Colorado Division of Financial Services and National Credit Union Administration examinations provide adequate transparency into Bellco's loan participation program—which program remains above reproach.

While Bellco currently has written loan participation agreements in place, the NCUA's minimum requirements proposal would require originating credit unions to retain at least a ten percent (10%) interest in any loan through the life of the loan. Credit unions will be forced to retain an interest even if it is not in the best interests of the credit union, which appears counter to the interests of the members we serve. Bellco employs excellent risk management policies and maintains outstanding relationships with other credit unions and CUSOs in order to create a diversified portfolio and effectively manage costs. Bellco looks forward to fostering our proven loan participation relationships under our existing loan participation program.

We urge you to reconsider the expansion of the loan participation rules to state-chartered credit unions. Thank you again for the opportunity to comment.

Respectfully,



Dan Kampen  
Executive Vice President and CFO