

AlaskaUSA

Federal Credit Union®

October 1, 2014

Ms. Tracy Crews
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear Ms. Crews:

Re: Federal Credit Union Ownership of Fixed Assets

12 CFR Part 701 / RIN 3133-AE39

Alaska USA appreciates the opportunity to comment on the Federal Credit Union Ownership of Fixed Assets proposal. Alaska USA is a federally chartered credit union with over \$5.7 billion in assets, serving over 500,000 members throughout the United States.

Alaska USA concurs that the proposed rule provides greater flexibility by removing the waiver requirement for federal credit unions (FCUs) to exceed the five percent aggregate limit on investments in fixed assets by implementing a fixed assets management (FAM) program. However we believe the proposed rule should not shorten the time period for development and partial occupancy of unimproved property, but rather extend the time period to 10 years.

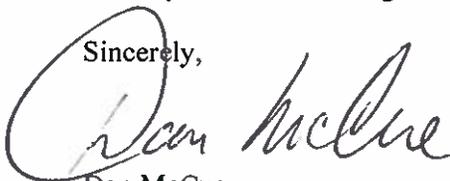
Alaska USA purchases unimproved land for future member service or operational needs based on the growth of the membership and the community development plans in an area. The benefit of purchasing property early in the development plan process are lower land costs and more location options, but potentially a longer lead time for the development activity to unfold.

It has been our experience that the benefits of purchasing land early outweigh the development delays. As you are probably aware, development periods have grown longer over time due to government regulatory requirements and economic uncertainty. Under normal development circumstances, the design and build portion of a project can take up to two years to complete. Accordingly, the current proposal of five years does not allow sufficient time to take advantage of the benefits of early acquisition.

Alaska USA recommends giving the credit union board and management the flexibility and authority to hold unimproved land for up to 10 years for the reasons noted above. Along with this authority would be the requirement that the unimproved land be addressed in the FAM and the credit union's business plan.

Thank you for considering our comments and positions on this matter.

Sincerely,



Dan McCue
Senior Vice President,
Corporate Administration