

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

June 21, 2016

Dear Board Members:

Re: Notice of proposed rulemaking for Parts 701 and 721, FCU Occupancy, Planning, and Disposal of Acquired and Abandoned Premises; Incidental Powers. RIN 3133-AE54

Alaska USA appreciates the opportunity to comment on the NCUA Board's proposed rule referenced above and supports efforts to further simplify §701. We encourage the NCUA Board to adopt all of the proposed changes along with our additional suggestions outlined below.

Ten-Year Occupancy

Alaska USA supports NCUA's effort to allow FCU boards and management to make decisions on a long-term basis for what is best for the FCU or its CUSO in a particular market. Accordingly, we encourage NCUA to extend the occupancy requirement to ten years on unimproved property.

Alaska USA has historically purchased unimproved land for future member service or operational needs based on the projected growth of the membership as well as the community development plans in the area. The benefits of purchasing unimproved property early in the development plan process typically are lower land costs and more location options, though there is potentially a longer lead time for development activity to unfold. Development timeframes have grown longer over time due to government regulatory requirements and economic uncertainty.

In addition, we suggest NCUA consider applying the ten-year occupancy requirement to excess properties obtained through an acquisition or merger. These properties generally have a cost basis much higher than the current market value or are otherwise undesirable properties due to location or condition. In these cases, the credit union may financially benefit from holding the property for longer than six years to allow the market demand and value to increase. This was evident during the recent national economic crisis that has experienced a long recovery timeframe.

Defining Occupancy

We encourage NCUA to define and state how to measure different areas of a building such as areas occupied by the FCU, areas occupied by others and common building service areas. The benefit of defining how to account for common service and mechanical areas will add clarity to the FCU when complying with the regulation.

Thank you for the opportunity to comment on this proposal. Please contact me at (907) 786-2716 or r.thompson@alaskausa.org if you have any questions.

Sincerely,



Robert E. Thompson
Senior Vice President,
Corporate Properties and Supply