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Re: NCUA's Regulatory Reform Agenda

November 17, 2017

Dear Mr. Poliquin:

On behalf of the credit unions in the state of Iowa, I appreciate the opportunity to comment on the National Credit Union Administration's (NCUA) Regulatory Reform Agenda. The Iowa Credit Union League represents the interests of nearly 100 credit unions and over one million credit union members. ICUL supports NCUA's efforts to reduce the regulatory burden and help credit unions serve their members. ICUL supports many of the provisions outlined in NCUA's Regulatory Reform Agenda and requests that the agency prioritize: advertising reform, loan participation limit adjustments, and risk-based capital revisions. Additionally, ICUL encourages NCUA to move forward on other elements outlined in the Regulatory Reform Agenda such as increasing the threshold for appraisals and broadening the alternative capital structure.

Accuracy of Advertising and Notice of Insured Status

ICUL encourages NCUA to finalize its proposed rule to allow a fourth version of the official advertising statement. ICUL also supports NCUA's proposed advertising statement exemption for radio and television advertisements that do not exceed 30 seconds. Increasing the exemption time will benefit both credit unions and members to more fully explain the financial service in a short amount of time.

ICUL appreciates NCUA's efforts to prevent a marketing discrepancy between banks and credit unions. Following the December 4, 2017, comment closing date of the related proposed rule, ICUL requests an immediate effective date allowing this fourth advertising statement option and exemption for radio and television advertisements.

Loan Participation Limits

ICUL supports removing the limit on the aggregate amount of loan participations that may be purchased from one originating lender. Credit unions in Iowa continue to conduct their due diligence on originating partners and are in the best position to determine which originators fit into their overall lending and investment programs. ICUL supports

allowing credit unions to set their own limit in policy instead of a prescriptive regulatory cap. However, if NCUA finalizes this change ICUL encourages NCUA to provide coordinated training and guidance for examiners to avoid an exam defaulting to the previous prescriptive standard.

Risk-Based Capital Delay

ICUL strongly supports narrowing the definition of a complex credit union and exempting credit unions with high net worth ratios from the risk-based capital regulation. ICUL also agrees with NCUA's recommendation to delay the January 1, 2019, effective date of the rule.

Each time the 5300 Call Report instructions are changed, and new requirements are issued it takes considerable resource for credit unions to make internal adjustments and implement the new provisions. Delaying the effective date and preventing a series of smaller and possibly conflicting changes that need to be readjusted the following year will save Iowa credit unions valuable resources and time.

Conclusion

ICUL encourages NCUA to move forward on multiple relief efforts and prioritize the provisions mentioned in this letter. In addition to the advertising notice changes, loan participations adjustments, and delaying the risk-based capital rule other recommendations in the Regulatory Reform Agenda would be beneficial. Increasing the appraisal threshold and broadening alternative capital options are also important to Iowa credit unions and the service they provide Iowans. ICUL appreciates NCUA's efforts to initiate this regulatory review and believes that the provisions identified in this comment letter will help reduce the regulatory burden.

Sincerely,



Patrick S. Jury
CEO/President
Iowa Credit Union League