



Experience the Advantage

November 20, 2017

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: Regulatory Reform Agenda

Dear Mr. Poliquin,

Advia Credit Union is grateful for the invitation to comment on the proposed regulatory reform. We are a peer group of 6 state-chartered credit unions offering financial advantages to a diverse membership across the Great Lakes region. With over \$1.6B in assets, we are affected by many of the regulations the proposals would change or eliminate. We support decreased regulatory burden in general, not because we endorse a laissez faire attitude toward our members' assets, but rather because we are confident that our leadership is sound and will pass along the benefits of a smoother business environment to our membership.

We appreciate the thoughtfulness with which the Regulatory Reform Task Force has approached its report and recommendations. The organizational framework of the effort and impact matrix has been helpful to our executive team in analyzing the expected impact on Advia, and developing and organizing our commentary to you.

Due to the number of proposals and varied areas of their ownership within our credit union, we find that grouping our thoughts according to these areas of discipline will provide the clearest representation of our comments and concerns. Our support of or opposition to any specific proposal stands, regardless of whether such proposal applies to federally chartered credit unions only.

Lending

We support the following proposals:

- *701.21(c)(4), (f) and (g)*. Combining all the maturity limitations into one section.
- *701.21(c)(5); 701.22(a), (b)(5); 723.2 and 723.4(c)*. Combining single borrower (and group of associated borrowers) limits into one provision.
- *701.21(c)(8)*. Modifying to provide flexibility with respect to senior executive compensation plans that incorporate lending as part of a broad and balanced set of

organizational goals and performance measures.

- 722. Exploring the issuing of a rule to raise appraisal thresholds separately from the interagency process. We support consistency among financial institutions in this area.
- 701.22(b)(5)(ii); 701.22(c). Removing the prescriptive limit on the aggregate amount of loan participations that may be purchased from one originating lender. We are confident in our ability to establish a well-reasoned limit within our own policy.
- 701.23. Simplifying and combining all the authority to purchase loans and other assets into one section, and providing full authority consistent with the FCU Act.
- 741.8. Reviewing this regulation to determine if NCUA approval is really needed in purchasing loans and assuming liabilities from market participants other than federally insured credit unions.

Marketing

We support the following proposals:

- 740. Revising certain provisions of NCUA's advertising rule. We welcome flexibility in the official advertising statement, especially in consideration of Twitter character limits.

Finance

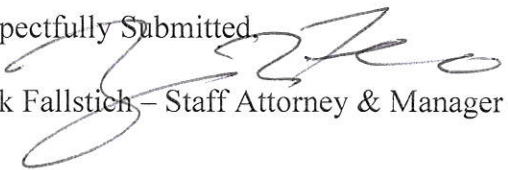
We support the following proposals:

- 702. We strongly support the concept of aligning the implementation date of Part 702, Capital Adequacy, with the implementation of the new current expected credit loss (CECL) accounting standard, while also considering any changes in capital standards for community banks. The alignment of these dates will provide additional time for capital planning and, to the degree deemed appropriate, potential alignment with community bank standards. This step would certainly have a high degree of impact, a low degree of effort and is consistent with the spirit of Executive Order 13777.
- *Part 703 Subpart A*. Overall, the proposed reforms would certainly alleviate overly prescriptive investment and portfolio management guidance, thereby providing credit unions more investment options and greater flexibility in executing their responsibility of balance sheet risk management.

Conclusion

We again thank you for the opportunity to share our thoughts. Advia is confident that these proposals will benefit credit union members generally. We look forward to driving progress for our members in conjunction with these changes.

Respectfully Submitted,


Zack Fallstich – Staff Attorney & Manager of Recovery, Advia Credit Union