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Public Comments on Appraisals: Availability to Applicants and Requirements for Transactions Involving an Existing Extension of Credit: =====

Title: Appraisals: Availability to Applicants and Requirements for Transactions Involving an Existing Extension of Credit

FR Document Number: 2014-14889

RIN: 3133-AE36

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Organization Name: Summit Credit Union

Comment: August 8, 2014

Debbie Matz, Chairman

NCUA

1775 Duke St

Alexandria VA 22314-3428

RE: RIN 3133-AE36

Dear Chairman Matz;

I would like to take this opportunity to express our support of all of the proposed changes outlined in RIN 3133-AE36 to 12 CFR 701 and 722.

While eliminating the duplicative requirements on appraisals and aligning definitions are very welcome and appreciated, we particularly are in support of the appraisal exemption. (Under the expanded exemption, federally insured credit unions (FICUs) would be able to refinance or modify a real estate-related loan held by the FICU, without having to obtain an appraisal, if there is no advancement of new monies or if there is adequate collateral protection, even with the advancement of new monies.)

The exemption as outlined will save consumers money and improve efficiency for all, without incurring any additional risk to the credit union or the share insurance fund. This change will also bring credit unions on par with the requirements for other financial institutions as outlined in the Interagency Appraisal and Evaluation Guidelines, section XI.

The typical case where this type of exemption will come into play we see frequently here at Summit. A borrower's balloon mortgage will mature. The member has a perfect payment record with us, and we simply want to renew the remaining balance for the remaining amortization.

In these cases, the loan is maturing to allow the credit union an opportunity to reprice the balance. Had the loan been originally closed on a longer term, an appraisal would not be needed at this point. Regardless of the value obtained by any new appraisal at this point, the loan is already on the credit union's books. Even should the property value have dropped, it is not in the members or the credit union's best interest to refuse to renew the loan and force the loan into foreclosure, when the loan has been performing. So the inevitable situation is we renew the loan nothing has changed apart from having charged a member an appraisal fee and delaying the renewal process.

As noted, the benefit of the appraisal exception is available to borrowers at other financial institutions now. We appreciate the NCUA's consideration of this change,

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and support and welcome such a change.

Sincerely,

Daniel L Milbrandt
Chief Lending Officer
Summit Credit Union
4800 American Parkway
Madison WI 53718

August 8, 2014

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1775 Duke St
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