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

Dear Mr. Poliquin:

On behalf of Messick & Lauer P.C. and our credit union and credit union service organization clients, we want to convey our thoughts and concerns regarding the National Credit Union Administration's (the "NCUA") proposed rule on Asset Securitization issued for comment on June 19, 2014 (the "Proposed Rule".)

The Proposed Rule on its face is a welcomed clarification of a federal credit union's ability to securitize assets. Now more than ever, credit unions need as many tools as possible to manage credit and interest rate risk on their balance sheet, and the ability to securitize assets is certainly a powerful tool. We are, however, concerned that this tool, as crafted in the Proposed Rule, will have little to no practical effect on the industry. Due to the high professional costs in the securitization process, a large volume of loans is needed in order to make the process economically feasible. An issuing entity would need at least $120 to $150 million in assets with homogeneous terms and origination dates for a securitization package.

Under the Proposed Rule, a federal credit union can only securitize loans it has originated. Most credit unions do not produce anywhere near the necessary loan volume to originate $120 million in loans in a relatively short period of time. This limit will mean that credit unions will not be able to afford to utilize the Proposed Rule. This is especially disappointing as there is a present need to find a secondary market for non-qualified mortgages and securitization would be a very helpful solution if it was practical.

These issuing entities can be structured to allow more than one credit union to be involved. While an issuing entity with more than one contributing lender may be uncharted waters for NCUA, this industry needs the ability to collaborate to drive down costs through innovation. We ask NCUA to revisit the risk analysis involved with allowing more than one credit union to collaborate and sponsor securitized assets. For example, if the loans contributed

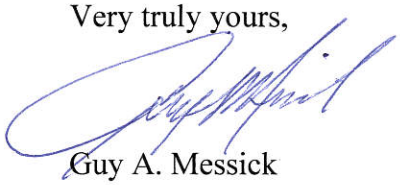
for securitization by credit unions are limited to the loans the credit unions originated, would that be a method to mitigate risk? If NCUA does not permit collaboration in the securitization process, the potential benefits of the Proposed Rule to the credit union industry will never be fully realized.

We are also concerned by the mention of credit union service organizations ("CUSOs") in footnote 7 of the Proposed Rule. We appreciate the foresight to acknowledge that issuing entities are not subject to the NCUA CUSO regulations; however, we suggest that the comment should be clearer that the issuing entities are not CUSOs and the formation of such entities will not affect a federal credit union's investment and lending limits to CUSOs.

Furthermore, we are concerned with the declaration in footnote 7 regarding what is and is not a preapproved CUSO activity. We do not think that this is necessary. It is already stated that the issuing entity is not a CUSO. Our concern is that any statement about CUSO approved activities in the NCUA Regulations should be confined to the CUSO Regulation, Part 712.5 for clarity purposes.

Thank you for the opportunity to comment on the Proposed Rule.

Very truly yours,



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