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August 25, 2014

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

Dear Mr. Poliquin:

I am writing to you on behalf of Sun East Federal Credit Union, it's members, board of directors and staff regarding the National Credit Union Administration's (NCUA's) proposed rule on Asset Securitization issued for comment on June 19, 2014 (the "Proposed Rule").

The Proposed Rule is a welcomed clarification of a federal credit union's ability to securitize assets. Now more than ever, credit unions need as many methods as possible to manage credit and interest rate risk on their balance sheet, and the ability to securitize assets is a welcome tool to facilitate these efforts. However, the Proposed Rule as it is currently structured will have little effect on the credit union industry as a whole. The securitization process is an extremely costly process involving a great deal of professional assistance and guidance in making a pool of loans ready for securitization. Couple that reality with the large volume of loans required in order to make the process economically feasible, and it soon becomes evident that most credit unions would not be able to achieve the goal of securitization cost effectively. An issuing entity would need at least \$120 to \$150 million in assets with homogeneous terms and origination dates for a securitization package to be viable.

Under the Proposed Rule, a federal credit union can only securitize loans it has originated. The majority of credit unions do not produce the necessary loan volume needed to originate \$120 million in loans in a relatively short period of time. This stipulation prevents credit unions from utilizing the Proposed Rule. This becomes disappointing since there is a very real need to find a secondary market for non-qualified mortgages and to mitigate risk. Securitization would be a very helpful solution if the rule could be modified.



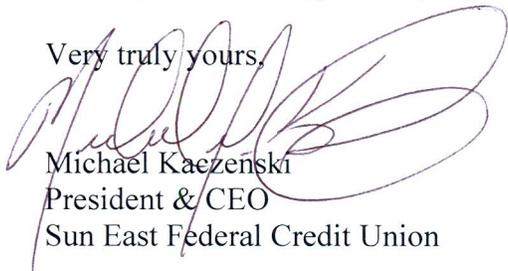
Deposits Insured up to \$500,000
\$250,000 by the National Credit Union Administration, a U.S. Government Agency, and \$250,000 by ESI, a licensed property and casualty insurer. ESI is not a government agency.

Issuing entities could be structured to allow more than one credit union to be involved in the securitization process. While an issuing entity collaborating with more than one contributing lender may be a new approach for NCUA, this partnering of credit unions could to make securitization a more cost effective path for the participants.

We respectfully request the NCUA to revisit the risk analysis involved with allowing more than one credit union to collaborate and sponsor securitized assets and to consider a modification of the proposed rule. This type of cooperation between credit unions would certainly reflect the best intentions of what the credit union movement stands for. By permitting collaboration in the securitization process, the potential benefits of the Proposed Rule to the credit union industry could be fully realized for the benefit of all.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael Kaezenski", is written over the typed name and title. The signature is fluid and cursive, with a large loop at the end.

Michael Kaezenski
President & CEO
Sun East Federal Credit Union