



August 25, 2014

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

MA, NH, RI Comments on Proposed Rulemaking on Appraisals-Availability to Applicants and Requirements for Transactions Involving an Existing Extension of Credit, 12 CFR Parts 701 and 722; RIN 3133-AE36

BY EMAIL ONLY

Dear Secretary Poliquin:

On behalf of the member credit unions of the Massachusetts Credit Union League, Inc., the New Hampshire Credit Union League and the Credit Union Association of Rhode Island ("Leagues"), please accept this letter of comment relative to the National Credit Union Administration's ("NCUA") proposed rulemaking governing appraisals. Collectively, the Leagues are the state trade associations, serving over 200 credit unions who further serve approximately 2.6 million consumer members, and operating as part of the Credit Union National Association.

The proposed rule generally seeks to amend current appraisal provisions to eliminate duplicative requirements, to permit certain exemptions and to promote clarity in definitions. Members of the Leagues continue to comment that the regulatory burden continues to increase and that additional relief is needed. As a result, the changes set forth in the proposed rule are overwhelmingly supported. In addition, the Leagues commend the NCUA for monitoring other federal rulemaking and making corresponding changes to its rules to streamline and clarify compliance requirements and to ensure that credit unions are not disadvantaged in the marketplace. In particular, amendments to Regulation B, Equal Credit Opportunity Act, implemented by the Consumer Financial Protection Bureau ("CFPB"), which require credit unions to provide a copy of an appraisal used in connection with a member's application for any loan secured by a first lien on a dwelling when requested by a member/applicant overlap with similar NCUA regulations found at 701.31(c)(5) and its proposed elimination is warranted.

The Leagues note that the proposed changes preserve appropriate consumer protections. Under NCUA's proposal, the appraisal requirements would only apply to loans secured by a subordinate lien and a copy of the appraisal used in connection with the application would be supplied to the member/applicant when requested by the member. Federal credit unions would still be subject to the CFPB's requirement under Regulation B that creditors must provide applicants with free copies of

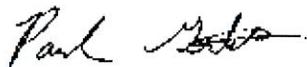
appraisals and other written evaluations in connection with an application for a loan secured by a first lien, regardless of whether the applicant requests a copy of the appraisal.

With respect to the proposed exemption under 12 C.F.R. 722.3(a)(5), the Leagues also support parity and consistency amongst financial service regulator rulemaking in lending operations and support NCUA's efforts to exempt transactions that involve an existing extension of credit as long as there is no advance of new monies, except to cover closing costs, or there has been no material change in market conditions that would threaten the credit union's real estate collateral. In monitoring the high mortgage volume at local credit unions, it is our experience that member requests for these transactions are common as members value their credit union relationship and seek further service from their credit unions. Such requests also reflect changes in the local economy and the financial needs of members. This proposed amendment would make NCUA's appraisal rule more consistent with the federal bank regulators' approach and provide another opportunity for increased member service by credit unions.

The Leagues also respectfully request that NCUA's final rule include an additional amendment and clarify that the "written estimate of market value" required for exempt transactions set forth in 12 C.F.R. 722.3(d) be satisfied by an estimated market value based on an automated valuation model with supplemental information. This change would be consistent with the 2010 Federal Financial Institutions Examination Council's interagency appraisal and evaluation guidelines and would promote further parity and consistency amongst federal regulators in lending operations. Finally, this proposed change provides additional flexibility for credit unions that choose to use advances in technology to expedite the mortgage approval processes to reduce its cumbersome length.

Thank you for your consideration of these views. The Leagues appreciate the opportunity to provide input on such an important topic and I remain available to address any questions or concerns at 1.800.842.1242 that you or your staff may have at your convenience.

Sincerely,



Paul C. Gentile
President/CEO

PCG/mabc