



4346 E. F-41 • P.O. Box 519 • Oscoda, MI 48750 • 800-336-2328

October 7, 2014

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

RE: Proposed Fixed Asset Ownership Amended Regulation

Dear Mr. Poliquin,

I am writing on behalf of Northland Area Federal Credit Union (NAFCU), which serves under-privileged areas in Northeastern Michigan. We are a low-income designated credit union with over 38,000 members and \$287 million in assets.

We agree with the proposed rule to allow FCUs to establish and manage its own fixed asset program in conjunction with their overall balance sheet risk management. We believe the board oversight and NCUA supervisory review provisions provide appropriate control on the risk of excess or speculative acquisition of fixed assets.

For premises acquired for future expansion, we believe it is very important to eliminate the 30 month time frame requirement to apply for a waiver and we do not believe it is necessary to establish a set time frame for when full occupancy is achieved. Providing stringent time constraints on the waiver process and occupancy time frame may cause FCUs to make decisions in order to satisfy the regulation rather than to appropriately manage the risk to the credit union.

By way of example, NAFCU is currently in the process of expanding into new market areas by adding two new branches. NAFCU expects its fixed asset ratio to remain well below the five percent limitation after these branches are constructed. We are currently in the construction phase of a branch (Branch 14) and have recently purchased land in another market toward our planned expansion (Branch 15). In managing our risk, we are waiting to begin construction of Branch 15 until we are comfortable that Branch 14 is fully integrated and operationally sound. We expect that may be up to a year. However,

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201 Hemlock P.O. Box 526 East Tawas, MI 48730	2285 W. Houghton Lake Dr. P.O. Box 1536 Houghton Lake, MI 48629	4346 E. F-41 P.O. Box 519 Oscoda, MI 48750	3358 State Street P.O. Box 125 Glennle, MI 48737	208 Morenci Street P.O. Box 328 Mio, MI 48647	1927 Greenwood Road P.O. Box 4204 Prescott, MI 48756	



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should we experience another recession or some other severe economic down turn, we may choose to delay the construction of Branch 15, possibly beyond the five year occupancy requirement. The amended regulation should encourage us and other FCUs to make sound decisions for our institution rather than be pressured to comply with an arbitrary five year requirement. Accordingly, the regulation should encourage the NCUA to be liberal in providing waivers to support sensible risk management decisions by FCUs.

Thank you for the opportunity to comment on this proposed rule and for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Kristine Brenner".

Kristine Brenner
Vice President of Finance/CFO
Northland Area Federal Credit Union

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