

December 16, 2014

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

RE: Comments on Loans in Areas Having Special Flood Hazards; RIN 3133-AE40

Dear Gerald Poliquin,

I am writing on behalf of Credit Union of Southern California, which serves those who live, work, worship or attend school in Los Angeles County, Orange County or the cities of Chino, Chino Hills, Ontario and San Bernardino. We have 74,497 Members and 910 Million in assets. CU SoCal appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed interagency flood insurance proposed rule.

Do you foresee any difficulties implementing the requirements of this proposal?

- If yes, please explain.

Many credit unions have equity loans that are not Home Equity Lines of Credit (HELOCs). Some of these can be in first position. If that is the case, our understanding is these loans would be required to offer impounds. These loans are often serviced on a core system that does not have the functionality needed to offer impounds. Therefore, these credit unions would be required to incur additional expenses to service these loans.

What changes can be made to make implementation easier for credit unions?

To make the implementation easier for credit unions, we suggest that the NCUA make an exemption for equity loans that are in the first position with either a low dollar amount or below a certain LTV. We suggest the exemption be placed on loans less than \$100,000 or that have a LTV less than 60 percent.

Should the proposal provide a clearer definition for detached structure exemption?

The definition is clear to us.

Please provide any other comments or suggestions for changes to the proposed rule.

Overall, we agree with the NCUA's proposed Interagency Flood Insurance Rule with the exception noted above. We believe the Rule would be a burden to implement on smaller/lower LTV equity loans that are in first position.

Thank you for the opportunity to comment on this Proposed Rule and for considering our views on flood insurance.

Sincerely,

Martha Dominguez
Sr. Marketing Specialist
Credit Union of Southern California

cc: CUNA, CCUL