



strength in members.

June 24, 2016

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

Proposed Rulemaking for Parts 701 and 721, FCU Occupancy, Planning, and Disposal of Acquired and Abandoned Premises; Incidental Powers

Dear Mr. Poliquin,

On behalf of the New York Credit Union Association, I am writing this letter to express strong support for NCUA's proposal to give federal credit unions greater flexibility in managing their property needs. These proposed amendments would, among other things, permit federal credit unions to purchase and partially occupy property for an indefinite period, thereby greatly expanding the branching opportunities for FCUs.

NCUA's proposal is consistent with its statutory authority. Credit unions understand that they cannot buy land solely for investment purposes. The Federal Credit Union Act specifically authorizes federal credit unions "to purchase, hold, and dispose of property necessary or incidental" to their operations (12 U.S.C.A. § 1757 [4]). Unfortunately, this straightforward requirement has spawned vague regulations and the imposition of arbitrary timelines for when property must be fully occupied. These mandates have been a source of increasing frustration between credit unions and examiners and have made it even more difficult for credit unions to manage their building and information technology needs. These amendments will end much of this confusion.

Few regulations have been so positively received by such a broad cross-section of New York credit unions. In responding to the Association's request for feedback, our members pointed out that:

- Authorizing the purchase of mixed use buildings is particularly beneficial to smaller credit unions, because they will be better able to cost-effectively open branches in urban areas. In addition, allowing federal credit unions to purchase mixed-use property means they will no longer have to choose between buying well-traveled retail property with retailers that won't be allowed to stay in the building or purchasing vacant property that might attract foot traffic. All of this translates into better member service.

- Branch location remains a key component of credit union growth. These amendments will help credit unions choose the best locations for their members.
- Allowing credit unions to purchase or partially occupy property for an indefinite period will make it easier for credit unions to manage future growth.

The Association appreciates NCUA's continuing efforts to analyze existing regulations with an eye toward reducing unnecessary mandates. This proposal is an important step in the right direction, and it will help credit unions accommodate the needs of their members.

Sincerely,

A handwritten signature in black ink, appearing to read "W. J. Mellin". The signature is fluid and cursive, with a large initial "W" and "J" that are connected to the rest of the name.

William J. Mellin
President/CEO
New York Credit Union Association