OHIO CREDIT
UNION LEAGUE

June 27, 2016

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

Re: Federal Credit Union Occupancy, Planning, and Disposal of Acquired and Abandoned Premises; Incidental Powers
12 CFR Parts 701 and 721
RIN 3133–AE54

Dear Mr. Poliquin:

Recently, the National Credit Union Administration (NCUA) has moved toward creating more regulatory flexibility for the credit unions it supervises and/or insures. As a follow-up to changes made to the occupancy rule (formerly known as the fixed assets rule) in 2015, NCUA now proposes to eliminate the requirement that a federal credit union must plan for, and eventually achieve, *full* occupancy of its premises.

The federal credit union (FCU) must still achieve *partial* occupancy of premises within six years per the rule. However, the definition of "partially occupy" is modified to reflect that an FCU need not fully occupy premises, as long as the FCU (or a combination of the FCU and a credit unions service organization in which it has a controlling interest) utilizes at least fifty percent of the premises on a full-time basis within the required timeframe.

The current proposal does not affect NCUA's rules regarding excess capacity in non-real estate-related areas, such as computer hardware or shared data processing. The agency maintains its view that FCUs are not, and should not be, in the business of providing third parties with data processing capacity or other equipment or services outside their express or incidental powers.

In response to the agency's request for comments in 2015, the Ohio Credit Union League urged NCUA to adopt more common-sense standards regarding the occupancy of real estate used to conduct the credit union's mission of serving members. Allowing an FCU to lease out acquired space not needed for its own operations makes more types of premises possible for the FCU's ownership and use, particularly in areas where commercial property is commonly used by multiple tenants or in areas where existing commercial property is limited.

We commend NCUA's assessment of its regulations to provide additional flexibility and urge them to continue this valuable review in order to find additional areas where regulatory relief is possible.

The Ohio Credit Union League seeks a regulatory environment that promotes safety and soundness while allowing Ohio's 307 credit unions to serve their almost 3 million members. We offer these suggestions in an effort to improve the efficiency of NCUA as a prudential regulator, share insurer, and partner for Ohio credit unions in providing affordable financial services safely and soundly. We are available to provide additional comments or information if so requested. If you have any questions, please do not hesitate to contact Carole McCallister, Manager of Research & Analysis, at (800)486-2917, ext. 262, or cmccallister@ohiocul.org.

Sincerely,

Carole McCallister

Carole McCallister
Manager, Research & Analysis

cc: Stan Barnes, OCUL Chair
Barry Shaner, OCUL Government Affairs Committee Chair
Credit Union National Association