



June 24, 2016

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

RE: Comments on NCUA's Occupancy Rule

Dear Mr. Gerald Poliquin:

On behalf of Coastal Federal Credit Union, thank you for the opportunity to comment on the proposed changes regarding the Federal Credit Union Act, occupancy of fixed assets. We fully support NCUA's attempt to provide more flexibility and less regulatory restrictions to credit unions.

Under the new proposal, the redefining of "partially occupy" to allow a credit union to occupy and use on a full time basis at least fifty percent of each of the premises, provides credit unions with flexibility on how fast to develop and utilize newly acquired property. In a region where prime real estate comes with a premium price, the proposed rule would allow Coastal to take advantage of opportunities to acquire a property in a prominent location with high visibility at a discounted price and gradually grow in to that space. Increased visibility in a prominent location allows for a more level playing field while competing with others who are not hindered by such regulatory constraints.

Further, the proposed changes allow for an opportunity to increase noninterest income by leasing the unoccupied space until we grow in to it. In a time where services to members are being compromised by the deluge of increasing regulatory compliance costs, credit unions and their members could certainly benefit from a means to increase income.

Again, we sincerely appreciate the opportunity to comment on this proposed rule change. We applaud NCUA's efforts to provide regulatory relief to credit unions in order to better serve its members.

Sincerely,

A handwritten signature in black ink that reads "Gregg Norris". The signature is written in a cursive style.

Gregg Norris
Director, Compliance
Coastal Federal Credit Union