



June 27, 2016

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

RE: The NCUA's Proposed Rule regarding Federal Credit Union Occupancy of Fixed Assets

Dear Mr. Poliquin:

On behalf of Randolph-Brooks Federal Credit Union (RBFCU), this letter is being submitted in response to the NCUA's proposed amendments to the regulations governing federal credit union ownership of fixed assets. We would like to express our support for the NCUA's proposal to eliminate the full occupancy requirement and respectfully request a few revisions to the proposed partial occupancy requirements.

Elimination of Partial Occupancy Time Limit

As mentioned, RBFCU appreciates and supports eliminating the current requirement in the occupancy rule that a credit union must plan for, and eventually achieve, full occupancy of premises acquired by a credit union. However, to provide adequate regulatory relief, we believe that the NCUA should eliminate the six-year time limit to achieve partial occupancy. In doing so, the NCUA would allow credit unions the ability to purchase properties at reasonable costs in strategic locations, and to hold them until occupancy is warranted.

Extension of Six-Year Time Limit

In the alternative, we would like to propose that the NCUA extend the time frame for partial occupancy to at least ten years. Extending the time to partially occupy acquired premises to ten years would still achieve the NCUA's intended purpose of setting a time frame in the first place – it will function as a reasonable safeguard against speculative real estate investments or other real estate activities not permitted under the Credit Union Act – while still allowing credit unions more time to strategically plan for prospective development in the communities they serve.

Credit Unions generally buy property with an intention to hold it for several years until future growth warrants occupancy, i.e. construction of a new branch location. Building prematurely on property due to regulatory time constraints may actually hurt a credit union economically when it makes more sense to wait until the timing is more financially feasible. Thus, the NCUA should grant greater flexibility to the board of directors and management of a credit union and allow them to determine the best time frame within which to occupy a property they own.

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Appeals Process

If the NCUA leaves the time frame unchanged, we would like to suggest that an appeals process be added to the regulation in the event that a credit union's waiver is denied by the Regional Director. We believe that credit unions deserve the opportunity to appeal and defend their decisions and business plans that support such purchases.

In closing, we would like to express our gratitude for the time and effort the NCUA has invested in the process to remove some of the regulatory burdens on credit unions. We appreciate your solicitation and receipt of comments on the proposals. Thank you for allowing us to provide you our feedback on these issues.

Sincerely,

A handwritten signature in black ink that reads "Karissa Gonzalez". The signature is written in a cursive, flowing style.

Karissa Gonzalez, VP