



*League of Southeastern
Credit Unions & Affiliates*

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League of Southeastern Credit Unions
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Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke St.
Alexandria, VA 22314-3428

Re: Appeals Procedures - 12 CFR part 746 [RIN 3133-AE68]

8/4/2017

Mr. Poliquin,

The League of Southeastern Credit Unions and Affiliates (LSCU) appreciates the opportunity to comment on the proposed changes to the appeals procedures in which program decisions can be appealed to the Board. The LSCU supports the reorganization of procedures in this proposed regulation to promote a streamlined and efficient appeals process. The League of Southeastern Credit Unions is a trade association that represents 260 credit unions in Florida and Alabama. Our mission is “to create an operating environment that enables credit unions to grow and succeed.” We believe these proposed changes will further our mission by making appeals a simpler and more expeditious process.

LSCU understands and approves of the proposed appeals procedures under Subpart B of Part 746, which will apply to (and be cross-referenced in) the following regulations:

- Claims of a Creditor of an Insolvent FICU under an NCUA ADR Process,
- Payment of Claims Regarding Federally Insured Shares or Deposits,
- Chartering and Field of Membership,
- Community Development Loans,
- Golden Parachutes,
- Investment Authority,
- Change of Officials for Troubled or Newly Chartered Credit Unions,
- Conversions and Mergers,
- NCUA’s general lending, eligible obligations, and loan participations rules; and

- Section 701.32, 701.34, and 741.11 of NCUA's regulations.

We also agree that the above proposed procedures will not apply to some regulations because of special procedures developed for those regulations or because the procedures are provided for in a statute. These include:

- Formal enforcement actions;
- Creditor claims in liquidation;
- Material supervisory determinations (discussed in a separate letter);
- Actions under prompt corrective action; and
- Appeals that are delegated below the Board for final, binding agency action.

After reviewing the proposed sections of 746, we think these procedures may promote an efficient and effective means of resolving disputes on those matters in its purview, which will benefit credit unions through quicker and more uniform resolution of disputes on those topics.

Specifically, we believe including a provision in a notice of determination that describes the right of appeal will let credit union management executives better understand their options after the program office has made a determination. We also agree that 30 days is a sufficient time for the program office to decide the issue, and a failure to respond to that time frame will be treated as a denial so that a credit union may then file an appeal with the NCUA Board. We believe these procedures comply with the principles of judicial and other administrative appeals procedures and that the *de novo* standard of review is appropriate. Finally, we encourage the Board to publish its appeals decisions (along with those on appeal from the Supervisory Review Committee) so that the industry can better understand the Board's policy goals and its interpretation of statutes and regulation.

Again, we thank you for allowing us to comment on these procedures and look forward to continuing to support the Board's efforts and improving the regulatory environment for credit unions.

Sincerely,



Michael Lee