

August 09, 2018

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

RE: Comments on Proposed Rule 701, Loans to Members and Lines of Credit to Members

Dear Mr. Gerald Poliquin,

Introductory paragraph:

I am writing on behalf of Seven Seventeen Credit Union, which serves defined counties in the state of Ohio. We have 80,000 members and \$1,004,000,000 in assets. Seven Seventeen appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule for Loans to Members and Lines of Credit to Members.

Letter Body:

It is our belief that the current maturity limits for 1-4 family real estate loans is sufficient and no change is warranted. We also believe the current exception process is appropriate for extraordinary situations related to individual loans.

We also believe the current maturities for other loans such as home improvement, mobile home and second mortgages could be expanded to match maturities on first lien residential loans which such loans could be combined with. Maximum amortization not to exceed 30 years.

We also believe NCUA should provide a single universal standard limit for commercial loans and partitions that may be purchased with respect to a single borrower or group of associated borrowers. That limit should be tied to the actual net worth/capital a credit union has to allow better capitalized credit unions greater latitude and lesser capitalized credit unions less latitude.

Seven Seventeen would also support identifying all of the various loan maturity limits in one single section of the regulation.

In regards to the three limits which exist for loans to a single borrower or group of associated borrowers under the general limits, loan participation's, and commercial loans. We support the proposed method of identifying each limit in the general limit section and including cross-citations to the more specific loan participation and commercial loan limits? However additional guidance needs to be provided when compensating circumstances exist such as multiple strong guarantors with limited exposure to the credit union and 1 guarantor with significant exposure to the credit union.

We also recommend more detailed requirement around when guarantees are required. Today we observe many of our larger credit union brothers across the country attracting large loans from banks by allowing aggressive partial or no guaranty structures. This will result in challenges during the next economic downturn as workout situations occur.

In summary we believe strong oversight is needed in the business lending area and additional guidance is warranted specifically around personal guaranties. Concerning matures on other loans only minimal changes are needed.

Thank you for the opportunity to comment on this Proposed Rule and for considering our views on NCUA's Loans to Members and Lines of Credit to Members rule.

Sincerely,

William Fulk
CLO
Seven Seventeen CU Inc

cc: CCUL