AlaskaUSA®
Federal Credit Union

Via online submission: http://www.ncua.gov/Legal/Regs/Pages/PropRegs.aspx

October 2, 2018

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

Dear Mr. Poliquin:

Re: RIN 3133-AE88
Loans to Members and Lines of Credit to Members

Alaska USA Federal Credit Union (Alaska USA) is a federally chartered credit union with $7.6 billion in assets and serves over 650,000 members throughout the United States. Alaska USA and its CUSO, Alaska USA Mortgage Company (together referred to here as "Alaska USA"), provide home financing annually to over 4,000 members, representing $1 billion in annual originations.

Alaska USA fully supports NCUA's focus on amending or repealing outdated and excessively burdensome regulations through the regulatory reform agenda. We appreciate the opportunity to comment on the current notice of proposed rulemaking involving loans and lines of credit to members.

We agree with the proposal to consolidate various loan maturity limits into one section of the regulations. This change, alongside updated or removed cross-citations, will help credit unions more easily understand and comply with the applicable maturity limits. We also support a longer maturity limit for one to four family real estate loans and other loans as identified in the proposed rule. In response to your specific question, we believe 30 years is an appropriate maturity limit for such lending actions. The NCUA also requested comments on whether the case-by-case exemption in Section 701.21(g)(1) should be retained and, if so, under what circumstances such an exemption would be appropriate. We believe the exercise of discretion inherent in this exemption is an important tool for the NCUA to retain. A robust national economy and real estate market could, over time, put home buying out of reach for many citizens if maturity limits do not have the ability to evolve.

While we commend the NCUA for taking the proactive steps identified in this proposed rule, we would like to take this opportunity to offer comments on the maximum loan maturities for one to four family non-owner occupied properties. HMDA data reported from 2004 through 2017 indicates that non-owner occupied properties averaged 12.73% of all purchase transactions and 9.63% of all refinance transactions nationwide. This is a substantial portion of the housing market where credit unions still do not have parity with banks to originate these transactions, even after the passage of Senate Bill S. 2155. While section 105 of S. 2155 changed the requirement to account for these mortgages as Member Business Loans (MBLs), it did not affect the maturity limits codified in Section 107(5)(A)(iii) of the Federal Credit Union Act. We strongly urge the NCUA to seek a revision to this Section of the Federal Credit Union Act to allow credit unions to originate a 30-year loan for these types of properties and offer those loans for sale to the

P.O. Box 196613 • Anchorage, Alaska 99519-6613
Phone 907-563-4567 • 800-525-9094 outside Anchorage • alaskausa.org

Government Sponsored Enterprises (GSE) such as Fannie Mae, Freddie Mac or any other secondary market investor. Alternatively, we recommend the NCUA allow the GSEs to fall within the exception found in 12 CFR §701.21(e).

We appreciate the opportunity to provide these comments. Please contact me at S.Larson@Alaskausa.org or (907) 375-3948 if you have any questions.

Sincerely,

Steven Larson
Executive Director,
Mortgage and Real Estate Lending