

October 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,

I am writing on behalf of Patelco Credit Union, which serves Northern California. We have over 640,000 members and over \$6.2 billion in assets. Patelco Credit Union 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.

We think the current maturity limits for 1-4 family real estate loans make sense and no change is needed. We also believe the current exception process is appropriate for extraordinary individual circumstances. We are pleased with the recent recategorization of 1-4 family non-owner occupied real estate loans as mortgages instead of member business loans. This allows our members to keep their 30-year mortgages if they move out and keep their old house as a rental.

We also think no change is needed for term limits on home equity loans. We are a federally-insured, state-chartered credit union, so we have our own state equity lending rules. Nonetheless, adding term length to equity lending adds risk the industry does not want. Banks are moving away from fixed-rate equity loans and moving to more equity lines of credit.

The NCUA should set similar concentration limits for commercial loans and participations. The risks these kinds of loans bring are very similar, and so the limits should also be similar. Using a percentage of assets as a concentration limit makes sense because it gives larger institutions more flexibility based on their ability to absorb the risks.

We endorse clarification of the location of the various loan maturity and concentration limits in the regulations, with cross-references. Clarity is always welcome.

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,

Jay Hartlove
Compliance Manager
Patelco CU

cc: CCUL