

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

515.221.3000 *telephone*  
800.860.6180 *toll-free*  
515.221.3010 *facsimile*  
7745 Office Plaza Drive North  
Suite 170  
West Des Moines, IA 50266  
[IowaCreditUnions.com](http://IowaCreditUnions.com)

Sent electronically to [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

August 3, 2018

Dear Mr. Poliquin:

On behalf of the credit unions in the state of Iowa, I appreciate the opportunity to comment on the National Credit Union Administration's (NCUA) proposal regarding payday alternative loans (PALs). The Iowa Credit Union League (ICUL) is the non-profit trade association that represents the interests of Iowa credit unions and their over one million credit union members.

ICUL appreciates the NCUA's willingness to consider a less expensive, more flexible alternative to traditional PALs via the proposed PALs II program. This program would benefit federal credit union (FCU) members seeking short-term, small-dollar loans from their trusted financial institution, as it would offer additional options for these consumers. By providing an additional PAL choice to FCU members, the NCUA is helping to prevent the cycle of consumer reliance on for-profit, predatory payday lenders. In addition, the proposed changes to the FCU PAL programs may help pave the way for parity between state- and federally-chartered credit unions in the future, which could benefit even more consumers.

ICUL supports the removal of the 30-day membership requirement in the PALs II program. While FCUs are still encouraged to consider a minimum membership period, the removal of this requirement allows for greater flexibility to help members in immediate need. In addition, ICUL would like to see the NCUA increase the maximum dollar limit.

ICUL is also in favor of the NCUA creating an additional PALs III program, which would be even more flexible than PALs II. It can be difficult for credit unions to utilize PAL programs in a sustainable way, given the nature of the product. Therefore, ICUL requests that the NCUA create a third option with a broad and flexible scope, so that credit unions can customize a program to best fit the needs of their community. We encourage NCUA to open this option up for public comment prior to any rulemaking, so that the industry can have time to review and submit comments on the details of such a program.

## Conclusion

Iowa credit unions are generally well-capitalized and are operating in a safe and sound manner to benefit consumers and the community. The proposed PALs II program, and potential PALs III program, would allow both FCUs and their members to have greater flexibility and product options. This is a win-win scenario for the community and economy as a whole.

By creating additional consumer-friendly, small-dollar loan options, the NCUA is providing tangible solutions to the ongoing problem of predatory lenders, and the negative cycle of debt they incur. ICUL applauds the NCUA for its efforts and encourages this forward-thinking approach in future rulemakings.

Sincerely,



Murray Williams  
CEO/President  
Iowa Credit Union League



**ICUL**

IOWA CREDIT UNION LEAGUE