

To: National Credit Union Administration
From: Centennial Lending LLC
Date: August 15, 2008
Subject: Comments Regarding Proposed Regulation Changes

Centennial Lending LLC would like to offer the following comments in numerical order corresponding to NCUA's Discussion of MBL Issues:

1. Loan-to-Value Ratio Requirements and Unsecured MBLs

Maximum LTV Ratio on MBLs: Clarification of the following regulation should be addressed: "The maximum LTV ratio permitted for all liens is 80% unless the amount in excess of 80% is covered by private mortgage insurance or is otherwise insured, guaranteed or subject to an advance commitment to purchase by certain government agencies".

We would suggest that NCUA regulation allow the maximum LTV of 80% to be exceeded to allow for temporary funding of SBA 504 loans up to 90% when a loan commitment has been issued by a Certified Development Company and the Small Business Administration.

Minimum Capital Levels for unsecured MBLs: We would not recommend any change on the minimum capital levels to make unsecured MBLs.

LTV on Construction and Development Loans: Based on the stated risk of construction and development loans, we would not recommend an increase of current LTV limitations. Our comment would be that credit unions should limit the LTV to 75% of the lesser of costs associated with the project or the "as complete" value of the project.

Definition of Fleet Vehicles: We would suggest that "fleet" vehicles be defined as more than 5 vehicles and that a business that purchases 5 or fewer vehicles be subject to non-fleet vehicle LTV requirements.

2. Experience Requirement and CUSO Activities

We would suggest no changes on the experience requirements already stated in NCUA regulation.

With regard to CUSO activity, we would recommend forming a Loan Committee, independent of the CUSO, through which all loans must pass. This Loan Committee would review loans once a CUSO underwrites the loan and before it is sent to the originating credit union and/or participating credit unions. Through this process, the potential for a conflict of interest is avoided.

3. Loan Participations

We would suggest no changes on the loan participation section of this regulation.

4. Waivers

It is important that NCUA develop a faster method of delivery and response of individual loan level waiver requests. These waivers are sometimes necessary and should still be available. However, the waivers must be delivered promptly for credit unions to remain competitive.

5. Degree of Regulatory Limits

Regulations are adequate.

Thank you for the opportunity to comment regarding NCUA Regulation Part 723. For further discussion or clarification on comments, please contact Mark Bostock at 720-494-2740.