

January 19, 2009

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

Re: MCUL Comments on Proposed Interagency Appraisal and Evaluation Guidelines

VIA ELECTRONIC MAIL: regcomments@ncua.gov

Dear Ms. Rupp,

The Michigan Credit Union League (MCUL) appreciates the opportunity to comment on the proposed Interagency Appraisal and Evaluation Guidelines (Guidelines). MCUL is a statewide trade association representing nearly 340 credit unions located in Michigan. This comment letter was drafted in response to input received from MCUL's member credit unions.

General Statement of Support

In general, MCUL supports the efforts of the NCUA Board in its effort, along with the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (FRB), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS), to reinforce the importance of sound collateral valuation practices required under the respective agency appraisal regulations.

Independence of the Appraisal and Evaluation Program

MCUL supports the proposed Guidelines provisions enabling small institutions to continue originating mortgage secured loans, as well as NCUA's long-standing recognition of the need for compensating controls in lieu of complete segregation of duties in small credit unions.

MCUL encourages NCUA to interpret and enforce these Guidelines in such a way as to not force small credit unions out of the mortgage lending business, nor make it difficult to carry out the requirements. Specifically, by providing guidance for small credit unions that provides for the following:

- Segregation between those selling and processing applications from staff that underwrites and approves loans;
- Allowance for staff that underwrite and approve loans to review appraisals and perform evaluations; and
- Allowance for post-closing review controls similar to those approved for use in FNMA- and FHLMC-originated loans.

In conclusion, MCUL generally supports NCUA in its efforts to improve the appraisal and evaluation process. If the Guidelines are approved as proposed, MCUL strongly encourages NCUA to properly interpret and enforce its appraisal regulation in order to ensure the vitality of small credit union mortgage lending programs.

Sincerely,

Veronica Madsen
Counsel
MCUL/CUcorp