February 1, 2021

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street, Alexandria, VA 22314

Re: Mortgage Servicing Rights; RIN 3133-AF26, RIN 3133-AF26

Dear Ms. Conyers-Ausbrooks:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the NCUA's Mortgage Servicing Rights Proposed Rule. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.7 million consumers.

The ICUL supports the proposed rule to remove the prohibition against federal credit unions (FCUs) to purchase (as an investment) mortgage servicing rights (MSRs) from other federally insured credit unions (FICUs) under certain criteria. It creates another potential revenue stream for credit unions, along with providing another option for sellers. Also, we are supportive of the proposed safeguards:

- The underlying mortgage loans of the MSRs are loans the FCU is empowered to grant;
- The FCU purchases the MSRs within the limitations of the FCU's board of directors' written purchase policies; and
- The board of directors or investment committee approves the purchase in advance.

We believe FCUs are capable of effectively managing their exposure to compliance risk through a comprehensive compliance program, which typically includes policies, procedures, processes, monitoring, and an audit function. We recognize MSRs can pose liquidity and concentration risks, and those risks should be evaluated (e.g., the number of months an MSR is obligated to remit payments to the mortgage loan owner if the borrower is delinquent).

We appreciate and applaud NCUA Mortgage Servicing Rights Proposed Rule. We ask NCUA to consider our comments as discussed above. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

John McKenzie
President, Indiana Credit Union League