CUNA
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June 17, 2013

U.S. Department of Housing and Urban Development
Regulations Division, Office of General Counsel
451 7th Street SW, Room 10276
Washington, DC 20410

Re: Streamlined Reporting Requirements for Small Supervised Lenders and Mortgagees, Docket No. FR-5536-P-01

To Whom It May Concern:

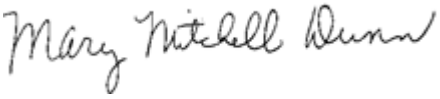
The Credit Union National Association ("CUNA") appreciates the opportunity to comment on the Department of Housing and Urban Development (HUD)'s proposed rule streamlining the FHA financial statement reporting requirements for small lenders. By way of background, CUNA is the nation's largest credit union trade association, representing our nation's state and federal credit unions, which serve over 96 million members.

CUNA strongly supports the proposed rule. Many of America's smallest financial institutions are credit unions, and the proposed rule would help them minimize their compliance obligations. Under the proposed rule, small credit unions and other financial institutions with less than $500 million in consolidated assets would not be required to submit annual audited financial statements as a condition of FHA lender approval and recertification. Rather, these institutions would submit the unaudited financial regulatory reports that are required to be submitted to their supervising federal banking agency, which for credit unions is the National Credit Union Administration. Audited financial statements would only be required if HUD determines an institution poses heightened risk to the FHA insurance fund.

We believe the proposed rule makes sense. By aligning the FHA financial reporting requirements with those credit unions are already required to undertake, FHA will permit credit unions to avoid redundant compliance obligations and minimize compliance costs. Credit unions currently face substantial regulatory burdens related to mortgage lending in light of the large volume of recently issued regulations coming from regulators with jurisdiction in this area. Credit unions strongly support efforts to simplify their compliance obligations.

Thank you for the opportunity to comment on the proposed rule. If you have any questions concerning our letter, please feel free to contact me or CUNA's Assistant General Counsel for Special Projects Robin Cook at (202) 508-6734.

Sincerely,



Mary Dunn
Senior Vice President and Deputy General Counsel