



February 1, 2021

Ms. Melane Conyers-Ausbrooks  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

**RE: Mortgage Servicing Rights; RIN 3133-AF26**

Dear Ms. Melane Conyers-Ausbrooks,

The Ohio Credit Union League (OCUL) represents the collective interests of Ohio's 247 credit unions and their more than three million members. Of those 247 credit unions, 136 are federally-chartered; 65 state-chartered, federally insured; and, 46 state-chartered, privately-insured.

OCUL supports the National Credit Union Administration's (NCUA) proposed rule concerning Mortgage Servicing Rights (MSRs) of federal credit unions (FCUs). FCUs are currently able to originate mortgage loans for their members, as well as service those loans. As acknowledged in the rule proposal, first lien residential mortgage loans account for over one third of outstanding credit union loans as of September 30, 2020, which is the single largest loan concentration in the system. Given this reality, FCUs have broad experience in servicing the mortgage loans that they originate. Therefore, it is unlikely that they will encounter difficulty, or that the safety and soundness of the system, would be jeopardized if FCUs are able to purchase MSRs from other credit unions.

OCUL acknowledges the compliance and legal risks inherent in the acquisition of MSRs. However, we assert that FCUs that service original mortgages have long been able to manage these risks as part of their regular course of business. This includes maintaining expert compliance and legal personnel on staff, as well as engaging with outside counsel when necessary. Still, we feel that it is prudent to consider certain safeguards that would apply before an FCU is eligible to purchase MSRs, depending on the complexity of the FCU's business model and staff composition.

Ultimately, FCUs that have demonstrated the ability to comply with regulations pertaining to MSRs, and that can handle the risk of defaulting borrowers and the attendant possibility of remitting payments to MSR shareholders without collecting payments themselves, should be allowed to purchase MSRs without any additional regulatory hurdles. Realistically, such considerations are no different from normal evaluations of safety and soundness for credit unions of any size or complexity. Therefore, we so no issue with, and in fact encourage, allowing FCUs to purchase MSRs from other credit unions.

OCUL appreciates the opportunity to comment on the proposal regarding Mortgage Servicing Rights. We believe it is in the best interests of credit unions and their members to allow them flexibility to operate their mortgage service business in ways that fit their strategic vision. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at (800) 486-2917.

Respectfully,

Handwritten signature of Paul L. Mercer in black ink.

Paul L. Mercer  
President

Handwritten signature of Chris Noble in black ink.

Chris Noble  
Regulatory Counsel