



April 22, 2016

Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

Re: Operations in Rural Areas Under the Truth in Lending Act (Regulation Z)  
Docket No.: CFPB-2016-0013, RIN: 3170-AA59

Dear Ms. Jackson:

On behalf of the 1.453 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB or Bureau) Interim Final Rule on Operations in Rural Areas Under the Truth in Lending Act's Reg Z.

This Interim Final Rule amends certain provisions of Regulation Z implementing the Helping Expand Lending Practices in Rural Communities Act (HELP Act) contained in the Fixing America's Surface Transportation Act entitled the (Public Law 114-94). The rule affects the eligibility of certain small creditors that operate in rural or underserved areas to originate balloon-payment qualified mortgages and provides for an exemption from the requirement to establish an escrow account for higher-priced mortgage loans.

HCUA applauds the CFPB for moving quickly to implement the HELP Act and more importantly, commends the Bureau for establishing that the level of operations is only **one** covered transaction originated in a rural or underserved area to qualify for the exemptions. HCUA believes this threshold properly implements Congress's intention to expand the pool of small creditors that will be eligible for the exemptions and, more significantly, will likely substantially improve the availability of credit in all rural and underserved areas. These areas are in much need of creditor services and any assistance to encourage the solid and responsible lending of credit unions is welcomed.

We suggest that the CFPB take serious consideration of making all loans held in portfolio by a credit union (or a small creditor) qualify as a Qualified Mortgage. These loans, made by responsible lenders who are holding the risk on their portfolio, should not be subject to the new additional requirements, which are superfluous given the nature and risk of portfolio loans. We urge the CFPB to look closely at this issue during its monitoring.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive, flowing style.

Brad Douglas  
President/CEO

1828 Swift Avenue  
Suite 100  
Kansas City, MO 64116

223 Madison Street  
Jefferson City, MO 65101

2055 Craigshire Road  
Suite 200  
Saint Louis, MO 63146

901 SW Topeka Boulevard  
Topeka, KS 66612

2544 North Maize Court  
Suite 100  
Wichita, KS 67205