



Indiana Credit Union League
The association of Indiana credit unions

January 19, 2021

Ana Placencia
Single Family Housing Guaranteed Loan Division, Rural Development
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250-0784

Re: Rural Housing Service – Guaranteed Underwriting System; Docket No. RHS-20-SFH-0025/RIN 0575-AD21

Ms. Placencia:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the proposed rule to mandate the use of the Guaranteed Underwriting System (GUS) and the Lender Loan Closing System (LLC) for loan closing. The ICUL member credit unions represent 99% of assets and members of Indiana's federally and state-chartered credit unions, with those memberships totaling more than 2.7 million consumers.

Indiana credit unions provide lending solutions to borrowers with different credit circumstances and income levels, and they rely on guaranteed loan programs to provide lending opportunities for their rural members.

While we agree with the Department's goals of making the loan decisioning and closing as seamless as possible by mandating the use of the GUS and LLC, there needs to be more thought and consideration for 2% of loan applications being submitted manually, as stated in the proposal. The change will have a more adverse effect on smaller lenders, such as credit unions, with limited resources that rely on manual underwriting processes. More importantly, this change could result in fewer choices for rural consumers when the lending purpose should be to provide as many options for consumers as possible. The Rural Housing Service should provide lenders with flexibility under certain circumstances.

We appreciate the opportunity to comment on the proposed rule. We ask the Rural Housing Service 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