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Public Comments on Member Business Loans; Commercial Lending: =====

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Email Address: wmarx@northerncoloradocu.org  
Comment: NCUA Reg 723 - changes  
Credit Union: Northern Colorado Credit Union  
Location: Greeley, CO  
Members: 3608  
Established in 1935

As the President and CEO of this organization I have had to resort to making more loan interest as possible to survive any demands from regulators and regulations. We have met these demands and fulfilled the needs of our members also. That is a difficult challenge on a daily basis.

Regulations are not slowing down or their demands on our time. This turns into staffing or vendor costs to keep up with these demands that places pressure on the bottom line. Loans are our relief for our bottom line since we do not charge exuberant fees and or have members that are fee happy. So the need for more lenient regulation on loans that have produced more income for us and less losses is always a plus.

As you consider changing the parameters of Regulations on MBL (723) consider all and not just a Band-Aid. We have been fortunate to have our CAP raised from 12.25% to 16% and now after 4 years are maxed at the 16% CAP. The economy is doing well and we have had to pass on several solid loan offerings (declined to participate in the loans). This means less income and a slower means to grow this credit union. I am from the old adage "make hay while the sun shines" and the sun is shining and will be shining for some time. We need more loan income to offset the need for more services and to keep up with the regulation demands from CFPB.

Yes the CFPB required regulation changes are directly affecting us but this is off topic.

I agree with eliminating 1-4 family residence from the regulation. However what really would help is setting lending CAPs by different loan types and loan to value. If you can consider that a commercial building at 70% loan to value is not considered in the CAP would help. Tracking of the loan is a must but to eliminate the loans that pose less risk or raising the CAP on MBLs to 35% as long as the Credit Union maintains a capital ratio of 10.0%+. If we can get the elimination of the 1-4 family investment properties will help us grow another \$1.4 million in MBLs.

There has to be an easier way to make the loans we need without having to hit a wall (regulation). Look deeper into the regulation and consider that if managed correctly it poses little to know risk to the Insurance fund. In the past 7 years should prove to NCUA that 99% of the Credit Unions doing MBLs are managing them well. Allow us to have a higher CAP and we will grow and prosper. Limit our risks and we will dwindle away!

We need the regulation to change last month so the sooner the better on this change to help us grow income (loans). We are only a \$47 million asset credit union. We struggle to keep a positive bottom line based on regulation needs and service needs to the membership. This regulation change would make a much needed change for us

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