

From: [Paul Pieschel](#)
To: [Regulatory Comments](#)
Subject: Comments on Proposed Rulemaking for Member Business Loans, Part 723
Date: Wednesday, July 22, 2015 4:55:51 PM
Attachments: [image001.png](#)

Mr. Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Dear Mr. Poliquin:

I am writing to comment on the NCUA's proposal to expand credit union lending. The NCUA proposal concerns me for several reasons.

NCUA is overstepping its regulatory reach by expanding the business lending loophole. In 1998 Congress made it clear that credit unions should be focused on consumer lending, not commercial lending. Congress deliberately imposed restrictions on business lending to ensure that credit unions fulfill their specified mission of meeting the credit and savings needs of consumers, especially consumers of modest means. By proposing this rule, the NCUA Board has blatantly disregarded congressional intent!

I compete directly with a 300 million dollar credit union. I have seen first-hand how they underwrite commercial loans. There is a lack of underwriting and in my opinion little regulatory supervision by the NCUA. I am concerned that once the spigot is opened the expanded business lending will lead to serious safety and soundness issues for the credit union industry. The rule removes safety and soundness checks and balances with the elimination requirement for personal guarantees, loan-to-value limitations and collateral requirements. I think this is very troubling. Relaxing regulatory standards is contrary NCUA's charge of protecting the industry's insurance fund and could place tax payers at risk. Commercial lending is a difficult and challenging business. I think there needs to be consistency by all the lending regulators. If one regulator shuns its responsibility it only hurts the borrower in the long run.

Sincerely,

Paul D. Pieschel
President



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