August 11, 2015

National Credit Union Administration
Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments on Proposed Rulemaking for Part 723; RIN 3133–AE37

Dear Gerald Poliquin,

I am writing on behalf of iQ Credit Union located in Vancouver, Washington. We are a community credit union that serves 67,000 members. We have $800 million in assets and have been making Member Business Loans for the past 8 years. We appreciate the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed amendments to the member business lending regulation.

We are always in favor or deregulation. We have been in business for 75 years and have stayed in business by being relevant to our members. Regulations have been increasing over the past few years.

While changes to the MBL rule is good, we still want our state regulator in Washington state (The Department of Financial Institutions) to retain their rules and allow state chartered credit unions to operate within the applicable state rules (as listed as Option C).

Having operated a successful MBL program I believe there are items in your proposal that should be modified before adoption. From a practical standpoint the elimination of the 2-year experience requirement should not be eliminated. This type of lending coupled with the complexity of C and D lending requires significant experience.

The removal of the personal guarantee requirement should be maintained wherever possible. Exceptions can be granted for corporations where personal guarantees are not practical.

If experienced staff are not required and the minimum equity for C We have been in business for 75 years and have stayed in.

If it is expected that aggregated limits on borrowing by one borrower and no maximum aggregate unsecured MBL loan limit are removed and NCUA wants to monitor through other means (on site examiners) I feel these limits should remain.

We also would like to see the standards proposed by NCUA to determine the consistency between new rules and your application of risk tolerances and management risk mitigation practices. These should go hand-in-hand.

To comment further would require a side-by-side view of the new regulation and the proposed supervisory guidance for credit unions.

We support the improvements from this bill. I question why this improvement was not instituted earlier in the economic recovery to allow credit unions to help more members. Credit unions would have been able to offset declines in bank business lending during the past 5 years with the new rules.

Sincerely,

Roger Michaelis
President/CEO
iQ Credit Union

cc: CUNA, CCUL