



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

Subject: Comments on Proposed Rulemaking for Member Business Loans, Part 723

As a community banker in Charleston, SC I write this letter to strongly urge you to hold the credit union industry accountable and to significantly increase your oversight authority over the National Credit Union Administration (NCUA). NCUA is charged with protecting the safety and soundness of credit unions, but has turned into a cheerleader for the \$1 trillion tax exempt industry it is charged with supervising.

I am deeply troubled by the actions and recent comments from NCUA's Chairman that, in the name of "regulatory relief," the agency is prepared to essentially provide the credit union lobby's legislative agenda through regulation despite **Congress' repeated unwillingness** to do so directly. For example, in June, NCUA proposed expansive changes to its business lending regulations, claiming authority to raise the Congressionally-imposed cap on business loans. The proposal also effectively makes the cap irrelevant through changes to loan participations, threatening safety and soundness and diverting credit unions from their mission of serving consumers.

Even more brazenly, NCUA's Chairman also took credit in the same speech for freeing nearly *half of all credit unions* from statutory limitations on business lending, supplemental capital, and the acceptance of non-member deposits from any source through "streamlining" qualification for a designation designed to serve low-income people. With so many credit unions qualifying, we question whether NCUA could possibly be giving each institution a serious look at whether this special designation is appropriate. This is evidenced by some of the credit unions that have earned the status: one that serves residents of one of America's wealthiest communities, Stamford, CT, and others that serve America's wealthiest universities, including Harvard and Georgetown.

"Regulatory relief" does not mean promoting explosive growth of the credit union industry at the expense of taxpayers, community banks, or the communities those banks serve. Credit unions enjoy a massive \$25.39 billion federal subsidy over 10 years in the form of the tax exemption. **These proposed changes would exponentially expand that tax subsidy while creating significant safety and soundness concerns, and should call into question whether the 81 year-old tax exemption is appropriate in the modern era.** They certainly call into question the adequateness of the NCUA. We call on Congress to hold the credit union industry and the NCUA accountable and do everything possible to rein in this out-of-control agency.

Sincerely,

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