



August 14, 2015

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

Re: Notice of Proposed Rulemaking for Member Business Loans, Part 723

Dear Mr. Poliquin:

I appreciate the opportunity to submit comments regarding the National Credit Union Administration's (NCUA) proposed rule to dramatically expand credit unions' authorities for member Business Loans and Commercial Lending.

Range Bank, established in 1887 is an independent community bank dedicated to meeting the needs of the families, businesses and municipalities in Marquette, Dickinson, Houghton and Keweenaw Counties in Michigan's Upper Peninsula. Lending to businesses in our market areas has been our primary focus since our inception.

In light of the recent financial crisis, we are concerned about the impact of further expanding the credit union industry's authorities into commercial lending, while their regulator relaxes safety and soundness measures for this type of lending. This proposal poses real serious safety and soundness concerns. The NCUA has not established that it is prepared to supervise institutions with expanding business loan portfolios. Since 2010, at least five credit unions have failed due to poorly run business loan programs, accounting for a quarter of all losses to the insurance fund. Losses could quickly multiply under this proposed rule. In addition, relaxing the regulatory standards is contrary to NCUA's charge of protecting the industry's insurance fund and effectively places the tax payer at risk.

In addition, the NCUA is overstepping its regulatory reach by expanding business lending loopholes. This proposal is contrary to congressional intent to limit business lending by credit unions. In 1998, Congress made it clear that credit unions should be focused on consumer lending, not commercial lending. Congress instituted restrictions on business lending deliberately to ensure that credit unions continue to fulfill their mission of meeting the credit and savings needs of



consumers, especially those of modest means, through an emphasis on consumer rather than business loans.

Commercial lending is already highly competitive in our rural markets. We are concerned that this could impact our own small business loan programs and other products we offer, in addition to being unable to help the broader community. Our success and growth can be attributed to commercial lending, which in 2014 enabled us to donate to over 140 various projects and organizations within our market area.

In conclusion, this proposal could damage the insurance fund, affect the safety and soundness of credit unions, and more importantly, the broader communities we all serve. This proposal could limit the ability of credit unions to serve consumers personal needs as required by Congress. For these reasons, I urge you to withdraw the proposed rule.

Again, thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "J.C. Frost", with a long, sweeping flourish extending to the right.

John C. Frost
Vice President - Chief Financial Officer
Range Bank, N.A.

JCF/gaj