

August 18, 2015

National Credit Union Administration  
1775 Duke St.  
Board Secretary  
Alexandria, VA 22314

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

Dear Gerard Poliquin,

I am writing on behalf of Denver Community Credit Union, which serves members in the Denver metropolitan area. We have over 25,000 Members and \$280M in assets. Denver Community Credit Union appreciates the opportunity to provide the comments to the National Credit Union Administration (NCUA) on its proposed amendments to the member business lending regulation. We support NCUA's efforts to modernize the MBL regulation, which will help credit unions serve small businesses and their communities.

We support the switch to a principle-based rule that allows for more effective and efficient establishment of risk thresholds. Redefining the rule allows for more flexibility when considering LTV and equity contribution requirements. In essence, the new rule will allow us to be more sophisticated in our risk evaluation and our lending decisions.

We are very grateful that NCUA is also considering adjustments in the MBL calculation. By separating the concepts of MBL for statutory purposes, credit unions will be allowed more flexibility to make sound business loans and the distinction between commercial and MBL will be a huge help in this regard.

In addition, the proposal to eliminate requirements that necessitate obtaining a waiver is a needed improvement that we support. While, this change does not have an immediate impact on DCCU since we are not approaching the statutory limits, it will help as we continue to grow our MBL portfolio.

We also think the proposed rule provides sufficient clarity on policy requirements and while credit union management will bear greater responsibility in establishing and monitoring a viable commercial lending program, the proposed changes will make oversight less burdensome than it is today. In addition, DCCU already has a credit risk rating system but we will evaluate our current procedures and risk rating system to ensure it meets the requirements of the new rule as necessary.

It will be extremely important that examiners are given the proper tools and training to effectively evaluate credit unions based on the proposed principle-based rule if adopted.

The NCUA is to be applauded for its proposal to ease the regulatory burden facing credit unions lending to small businesses. DCCU believes that these changes are a step in the right direction toward making sure that credit unions can fully serve their members and communities. Thank you for the opportunity to comment on the proposed rule and for considering our views.

Sincerely,

Tessa Bonfante  
COO  
Denver Community CU

cc: CUNA, CCUL