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August 19, 2015

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

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

Dear Mr. Poliquin,

I would like to express my concerns for the Proposal that is under consideration by the NCUA regarding the expansion of lending to businesses. In my opinion, the proposed changes present serious safety and soundness concerns and this expansion is completely unnecessary.

I have been in the financial services industry for over 15 years and have serious concerns over this type of expansion into new financial markets from less experienced lenders. There is a huge difference in the underwriting and experience necessary to underwrite and manage a commercial, industrial, or commercial real estate loan versus a consumer/retail loan. A major missing link is the depth of experience within credit union management in making these types of loans. My 15 year tenure in the financial services industry has been spent working for community banks. In this setting I have had numerous mentors and worked with long term veterans who have all had vast experience in commercial lending practices. These mentors have passed their immense knowledge of credit cycles, daily credit management, and underwriting issues on to me. Moving forward I will also be a mentor to younger generations of commercial lenders and I will add my own experiences and information to that of my predecessors. This information concerning commercial lending cannot be learned through a seminar or any training manual. It has been learned through a long history of mistakes, hard lessons, and ultimately successes. If the credit unions choose to start this learning curve from scratch what could be the ultimate cost to the American Taxpayer as these mistakes and hard lessons most assuredly will transpire.

Additionally, Credit Unions expansion into the commercial lending market is unnecessary based on this market already being well served and extremely competitive. Introducing a less experienced lender with lower regulatory standards into this already well served market harkens back to the recent Great Recession and the same lack of experienced lenders and lax regulatory practices being pushed into mortgage lending. This lowering of credit, underwriting, and management standards created a financial catastrophe. As stated above, commercial lending is a well-served and competitive market. One that is served by both community banks and large banks alike. Both of these institutions adhere to strict, if not sometimes overly burdensome, regulatory guidelines. A lot of these guidelines have been expanded



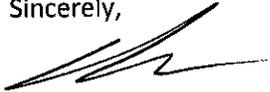
based on the mistakes that were made with the mortgage lending crisis. The credit unions expansion into the commercial lending market without the proper lender experience and lower than acceptable regulatory oversight is a recipe for financial disaster that does not need to be relived. Let's learn from our previous mistakes and not repeat them.

Credit Unions were established to serve consumer's needs. They have done an excellent job at this and have been on the forefront with technological advances in the financial services industry benefitting consumers greatly. It is my belief that the credit unions themselves, the financial services industry as a whole, the consumer, and the American Taxpayer would all sustain better financial health if credit unions would continue to excel in this field of expertise.

I would ask you to reject this proposal based not only on my arguments stated above but also the multitude of other topics presented by my colleagues in the financial services and commercial lending fields. You are in a position to protect not only the safety and soundness of the NCUA insurance fund, but the financials cervices market place as well. If we do not learn from the mistakes of the past, we are destined to repeat them.

Thank you for your consideration.

Sincerely,



Michael W. Gifford  
SVP, Lending Officer  
Icon Bank of Texas, N.A.