

August 24, 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 League of Southeastern Credit Unions (LSCU), which serves nearly 270 credit unions in Alabama and Florida. The LSCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed amendments to the member business lending regulation.

The LSCU and the credit unions we represent, applaud the NCUA's efforts to streamline and improve the MBL rule.

Having participated out MBLs held by other credit unions not being counted against their cap is a great step in the right direction. We feel that this will increase the appetite for participations which will result in originating credit unions being able to do more for their members and by putting more good performing loans on the books will improve both the originating and participating credit unions balance sheets as they are able to move more low earning investments into much higher earning loans. Frankly, this will make these credit unions operate more safely and soundly because they will have improved earnings.

We also like and support the elimination of most of the waiver requirements.

One of the best things in this proposal is treating a loan fully secured by a 1- to 4-family residential property (not the borrower's primary residence) as an MBL but **NOT** a commercial loan. I have a rental house that I used to live in that fits this definition to a T. For this loan to be considered a commercial loan defies common sense so the LSCU and I thank you for this very sensible separation.

One of the things that our credit unions will like the most in this proposal is the Small Credit Union Exemption. Credit union with both assets less than \$250 million and total commercial loans less than 15 percent of net worth would be exempt from some of the onerous board of directors and management responsibilities and commercial loan policy requirements in the current rule.

Our suggestion to improve this proposal is that the NCUA that greatly shorten or entirely eliminate the proposed 18 month implementation period. We understand that the NCUA has training issues on these new procedures, but it is quite clear to us that the "Pros" in Alexandria have a complete handle on this.

If a credit union were to adopt some of these proposals, the "Pros" could review that credit unions' procedures, train the principal examiners and appropriate Supervisory Examiner on these new procedures on a credit union by credit union basis. We don't expect all credit unions to want to adopt these expanded authorities immediately so as credit unions use this expanded authority, the NCUA could be training its staff to ensure that all safety and soundness concerns are met.

Again, we support the NCUA's efforts to modernize the MBL rule. Thank you for the opportunity to comment on this proposed rule and for considering our suggestion.

Sincerely,

William Berg
VP-Compliance Training/Info
League of Southeastern Credit Unions

cc: CUNA, CCUL