

August 25, 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,

on behalf of Sooper Credit Union, a state-chartered, federally-insured Colorado credit union serving 34,000 members with \$311 million in assets, I would like to thank the National Credit Union Administration (NCUA) for proposing improvements to the Member Business Lending (MBL) rule. We believe the proposal will allow credit unions more flexibility to provide business lending to members.

Small businesses are critical to the state and national economy and the NCUA's MBL proposal makes improvements that will allow credit unions to develop MBL programs that better fit their members' needs. Specifically, we support many of the waiver eliminations, the clarified categorization of nonmember participations, and the new commercial loan definition.

The current waiver process is cumbersome for many credit unions and has deterred participation in MBL programs in the past. The NCUA's proposal to eliminate waivers would have an overall positive effect on credit unions. The revisions to the current loan-to-value requirements and the unsecured lending limitations will level the playing field for credit unions in this market. The option to provide business loans without personal guaranties will similarly open up new business lending opportunities to credit unions.

We are very supportive of the NCUA's clarification that purchased nonmember business participations will not be classified as MBLs. Currently, a credit union must obtain a waiver if its combination of MBLs and purchased nonmember business loan participations cause it to exceed the MBL cap. In practice, there have been very few of these waiver requests. We strongly believe that allowing credit unions to purchase nonmember participations with no impact on the MBL cap will allow credit unions to operate more easily within the MBL regulations while also meeting member business loan demands.

Also, we support the regulatory relief on certain business loans no longer subject to full commercial lending safety and soundness rules contained within the new commercial loan definition proposed in the rule.

We do have one concern and that is, if there is a restriction to be placed on the compensation of third parties for providing MBL services based on the closing of a

loan, it is one from which CUSO's should be exempted. CUSO's have been a primary point of access for small and medium sized credit unions into the MBL arena. To limit the ability of CUSO's to provide this service in a cost effective manner would limit the ability of many credit unions to participate in member business loans. It would also increase risk for those who do so by restricting their access to the expertise contained within the CUSO as well as reducing their options for loan participations which for many, including our owners and partners, has allowed for much greater diversification and volume than they would otherwise find available.

While we believe that the NCUA'S MBL proposal is a significant step in the right direction and an overall positive for credit unions, the move from a prescriptive to a principles-based rule means that the examination of commercial loans and lending practices will likely be much more thorough because of the increased flexibility that credit unions will have to operate business lending programs. For that reason, we would appreciate the opportunity for credit unions to comment on the guidance NCUA will provide to examiners.

Thank you for the opportunity to comment on the proposed MBL rule. Sooper Credit Union appreciates NCUA's effort to remove specific requirements that are not required by the Federal Credit Union Act and to allow credit unions more flexibility to serve member business lending needs. If anything, the regulation should be implemented earlier than proposed.

Sincerely,

Dan Kester
President/CEO
Sooper CU

cc: CUNA, CCUL