



# State Bank<sup>®</sup> OF SOUTHERN UTAH

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August 14, 2015

Gerard S. Poliquin  
Secretary of the NCUA  
1775 Duke Street  
Alexandria, VA 22314-3428

AUG25'15 PM 1:41 BOARD

RE: Business Lending Expansion

Dear Mr. Poliquin,

I am opposed to further expansion of the Credit Union industry's ability to exceed existing caps on business loans.

My bank is almost 58 years old and we serve the rural southwest Utah market. We have made our communities better for years by providing financial services. We rely heavily on commercial lending relationships to do this.

The push from Credit Unions to expand its business lending causes me great concern. Congress has made it very clear that credit unions are to focus on consumer lending, not commercial. By their nature, and by charter, Credit Unions are to serve persons of modest means. I feel the NCUA board has blatantly disregarded for congress by trying to expand deeper into commercial lending.

I have been a commercial lender in our area for many years. I have personally witnessed credit unions in my town reach out to make commercial loans that proved to not be in the best interest of my customers. In fact, many times we are approached to refinance/correct the mistakes of credit union lenders who do not have the expertise to handle their customer's needs. Promoting expansion of commercial lending by credit unions is a safety and soundness risk.

If Credit Unions are allowed to expand deeper into commercial lending, it will impact my bank's ability to serve customers in our footprint. We have the expertise and ability to serve our communities. Please consider existing law and reasoning before proceeding with any expansion of commercial lending for Credit Unions.

Sincerely,

Eric J. Schmutz  
President and CEO