

VISIONS

FEDERAL CREDIT UNION

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August 26, 2015

The Honorable Debbie Matz
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Chairman Matz:

I am writing regarding the recent proposal by the National Credit Union Administration (NCUA) revising the agency's member business lending (MBL) regulation for credit unions. This proposed rule is a long overdue modernization of NCUA's MBL regulation that should ease the process for credit unions to make business loans to members while continuing to ensure that they are operating in a safe and sound manner.

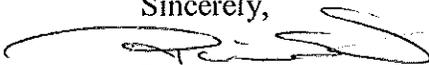
I applaud NCUA for providing credit union management flexibility in the process of making business loans that is in observance of modern commercial lending practices and is in keeping with the statutory framework set in place by Congress. This flexibility is needed as the current MBL rule contains overly prescriptive requirements, like the personal guarantee, which often slow the MBL underwriting process causing credit unions to be uncompetitive.

Credit unions have a history of prudent and safe small business lending and a mission to help provide access to credit to their members. The proposed MBL regulation will increase the availability of capital to small businesses in the towns and communities I represent. Helping small businesses succeed is of the highest priority and I know that in order for the economy to fully recover, small businesses need access to credit, which will help their businesses grow. This change in the MBL rule will help to accomplish that goal.

Finally, only Congress has the power to lift the MBL cap placed on credit unions, but your proposed rule does offer a much needed level of relief. This regulatory change is a good example of a Federal regulator acknowledging problems within the industry it oversees then providing relief through the efficiency and simplification of the regulatory process.

Thank you for your ongoing work to promote a safe and sound credit union system.

Sincerely,



Patricia Shermot
Government Relations & Engagement Officer