



August 28, 2015

National Credit Union Administration
Attention: Mr. Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments – Proposed Rule: Member Business Loans (MBL)

Dear Mr. Poliquin:

I am a member of and the Vice President – Risk Management of ABNB FCU. ABNB is a \$500M credit union with seventeen branch offices serving 55,404 members in a community located in Southside Hampton Roads and parts of Northeastern North Carolina. ABNB has been engaged in the Member Business Loan (MBL) arena for more than ten years both as a direct lender and as a participant. ABNB's MBL portfolio totals \$40M and focuses on smaller commercial businesses/ properties and multi-family buildings; the kind of businesses that make up the bulk of the business community in Hampton Roads. During that time our losses have been negligible thanks to sound underwriting and more than sixty years combined staff commercial lending experience.

I am writing to you regarding the National Credit Union Administration's (NCUA) proposed rule amending Part 723. NCUA's initiative in this rulemaking to provide meaningful regulatory relief to credit unions is appreciated. The credit union movement has long advocated for flexibility in establishing and implementing a member business lending program that is uniquely appropriate for each individual credit union and its membership. While legislative changes to the Federal Credit Union Act are ultimately needed to raise the MBL cap, NCUA's proposal constitutes an important step to achieving the goal of member business lending rules.

No credit union makes any business loan indiscriminately. Credit unions regularly go back to borrowers for additional documentation, more security, stronger collateral and even personal guarantees when the credit union feels the need to protect its position on a business loan. Credit unions are not looking for losses. They are doing everything reasonable to manage risk in their lending and to add performing loans to their portfolio. The current unnecessary regulatory limits on lending and time consuming waiver requirements often put credit unions at a competitive disadvantage with other financial institutions that do not face such regulatory requirements. ABNB, as a strong credit union with proven underwriting standards, certainly appreciates and supports elimination of the waiver process. The elimination of these one-size-fits-all regulatory standards will go a long way to staunch the loss of top quality business to lenders who are not quite so hindered by their regulator. Small businesses that are struggling to find access to capital and liquidity will certainly benefit.

As a further improvement in the flexibility of the revised MBL rule I encourage NCUA to consider lifting the prohibition on prepayment penalties specifically for member business loans. While this prohibition is appropriate for consumer loans it may not be as appropriate for member business loans. In the commercial lending world cost recovery in the form of prepayment penalties is quite common.

Thank you very much for the opportunity to comment on this proposed rule. The issues we have highlighted above will have significant impact on the credit union movement and ABNB's ability to serve our members. We respectfully urge NCUA to implement the proposed improvements to the MBL rule and to actively consider pursuing the needed legislative changes to the Federal Credit Union Act to raise the MBL Cap.

If I can be a source of any further information regarding this comment letter, please do not hesitate to contact me at canuswith@abnb.org or by phone at (757) 523-5387.

Sincerely,



Christopher E. Anuswith, CCUE, CUERM, NCCO
Vice President – Risk Management