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August 25, 2015

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Via e-mail: regcomments@ncua.gov

RE: Comments on Proposed Rulemaking for Part 723

Dear Mr. Poliquin:

I would like to thank you for taking on the large task of overhauling the Member Business Loan rules. In general, this proposed rule change will do a lot of great things for our Member Businesses and the communities we serve. In general, I am in support of the proposed changes. However, I would like to comment on a few items:

The proposed rule will require the agency to train staff and issue guidance for staff to use. I believe it is imperative that credit unions be permitted to comment on this guidance as this will be the roadmap that examiners follow when reviewing credit unions commercial lending programs.

While the NCUA indicates that they will provide supervisory guidance for credit unions these could appear as requirements to regulators. We do not want this guidance to be required to be placed into our institutions policies when the proposed rule change indicates the new policy requirements are to be self-directed by credit unions.

With the proposed changes, credit unions will have much more flexibility in setting limits and operating a business lending program without specific requirements. I think this is very positive for credit unions. However, again, I would express that I think it is very important that credit unions get to comment on the guidelines that are to be established by the NCUA as they will likely be cited by the regulators as policy.



I am also in favor of the removal of the waiver requirements as these are often an arbitrary ratio that offers little benefit to managing the risk of a portfolio and can limit the ability of credit unions to assist its Member Businesses.

Thank you again for your efforts in improving the MBL policies in a manner that will help us serve our members and communities better.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kenneth E. Leonard". The signature is fluid and cursive, with a large, stylized initial "K" and "L".

Kenneth E. Leonard
Vice President Commercial Loan Services