



August 18, 2015

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

AUG28'15 AM 7:41 BOARD

RE: Comments on Proposed Rulemaking for Member Business Loans, Part 723.

Dear Mr. Poliquin:

I am writing to the National Credit Union Administration today to urge you to withdraw the proposal to “modernize” the NCUA’s member business lending regulation.

Grand Timber Bank is located in the small town of McGregor in rural Northern Minnesota. Our main competition is a credit union also located in McGregor. We recently received an Outstanding CRA rating because of our dedication to helping all members of our community including those of modest means.

There are many times when our bank has made a loan to a consumer customer who was turned down by our local credit union. I thought the intent by Congress was for credit unions to help those of modest means. And now you want to give them the ability to grant business loans to non-customers with no limit as to the amount they may lend. If so why do the credit unions still have a tax advantage if they act as a bank?

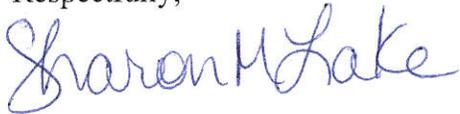
Credit unions receive tax and regulatory advantages because they once served “people of modest means.” If the benefit of tax-advantaged credit is supposed to support low-and moderate-income individuals, why would the NCUA continue expanding lending opportunities to commercial entities? Instead, the NCUA should work to ensure that credit union branching patterns, product offerings and advertisements support their tax exempt mission of serving low-and moderate-income people. The taxpayers subsidizing the credit union industry should get a better return on their subsidy. Giving tax-advantaged credit to corporations is poor public policy, which is why Congress repeatedly denied the credit union industry’s requests.

Every credit union continues to enjoy their tax exemptions, even though many of them are no longer true to the original credit union mission. There are many examples, but the California credit union that recently committed to paying \$120 million for the naming rights on a professional basketball arena is a great example of how the credit unions abuse their tax

advantages. If the NCUA were a true regulator, rather than a “cheerleader” for the credit union industry, it would reign in these types of excesses.

Thank you for taking the time to read my letter and consider my comments.

Respectfully,

A handwritten signature in blue ink that reads "Sharon M. Lake". The signature is written in a cursive style with a large initial 'S'.

Sharon M. Lake  
President  
Grand Timber Bank