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August 31, 2015

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

Re: Comments on Notice of Proposed Rulemaking for Part 723; RIN 3133-AE37

Dear Mr. Poliquin:

I am writing on behalf of 1stMidAmerica Credit Union, which serves members in twenty-two counties in Illinois and Missouri. We have over 58,000 members and \$630 million in assets. 1stMidAmerica Credit Union appreciates the opportunity to provide comments to the National Credit Union Administration on its proposed amendments to the member business lending (MBL) regulation. We support NCUA's efforts to modernize the MBL regulation, which would give credit unions much needed flexibility in running an MBL program.

The proposed rule would switch from a prescriptive to a principles based MBL regulation. This change modernizes the regulation by giving credit unions flexibility to develop MBL programs to best fit their members' needs. A principles based regulation in some instances can complicate the running of an MBL program for credit unions, as management and boards of directors will bear a greater responsibility in developing and maintaining an MBL or commercial lending program that is safe and sound. There is a concern over the imposed duties on the already heavily burdened volunteer boards, particularly in light of the absence of guidance by the NCUA on specific requirements. NCUA must also provide consistent training and guidance to examiners as part of the implementation of this rule since the rule will require more thorough examination of loans and policies by examiners. .

We also support the adjustments in the MBL calculation. Unfortunately, the statutory lending cap remains in place, but we support NCUA removing the 12.25 percent shorthand calculation as it is not required by the Federal Credit Union Act (FCU Act) and only an added complication to the rule. The proposed calculation meets the FCU Act's requirements while removing an unnecessary provision.

Furthermore, the current member business rule has many requirements that necessitate obtaining a waiver, even though they are not mandated by statute. This adds unnecessary burden to credit unions making commercial loans. The proposed rule would remove all of the requirements necessitating waivers and thus eliminate the need for waivers. This represents a

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major regulatory improvement that we fully support. There is one requirement that we feel should remain in place for which a waiver should remain available: the limitation that aggregate dollar amount of commercial loans to any one borrower or group of associated borrowers may not exceed 15% of net worth or \$100,000, whichever is greater. A waiver needs to remain in place for this requirement.

Again, we support the NCUA's efforts to modernize the MBL rule. Thank you for the opportunity to comment on this proposed rule and for considering our views.

Sincerely,



Alan Meyer
President / CEO



Perry Withers
Vice President of Lending