

**From:** [Brett Pacek](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Brett Pacek - Comments on Proposed Rulemaking for Part 723 - RIN 3133-AE37  
**Date:** Monday, August 31, 2015 6:17:30 PM

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To Whom it May Concern,

CASE Credit Union is a \$250MM Credit Union located in Lansing MI. We have been granting business loans to our members for over 10 years. We have provided capital to small and local businesses in times of need and when banks turned their back on them. We experience one of our highest yields on our business loan portfolio and believe that this is a future area of growth for our Credit Union. Our business loan portfolio is in excess of \$25,000,000. Our portfolio is managed by a team of three dedicated individuals. We are strategically planning to add additional individuals to this department to support future growth and amendments to 723.

Our business lending started gradual and we have grown it over time through the evolution of appropriate underwriting, risk classifications, monitoring, annual review, prospecting and servicing. Our Business Loan Committee is made up of a team of 7 individuals with experience in excess of 100 years whom closely scrutinize all loan requests.

Our portfolio has returned 0% delinquency for 2+ years, due to the amount of ongoing monitoring, proactive management and emphasis we place on it. We wholeheartedly agree that Credit Union's whom demonstrate the appropriate amount of proactive risk management, expertise and experience could benefit greatly from amendments to the current rule.

The proposal in question will provide several key clarifications and adjustments that will better suit our Credit Union to reach future business lending goals set by our Board.

Namely the associated borrower rule clarification and the 1-4 family property exclusion. These are two current pain points of 723 which in turn cause extensions of credit to be difficult from time to time to very qualified borrowers. We also believe that the personal guarantee and LTV requirements within the proposal are a huge step forward in promoting business lending within the Credit Union sphere all the while incorporating important safeguards for senior management to adhere to and for the board to be abreast of.

Additionally, we would recommend a cap on out of state participation lending as our experience has told us that Credit Union's should operate in the area in which they serve.

We appreciate the additional guidance on construction and development lending and would recommend a higher asset level that construction and development lending be resigned to as this can promote additional risk to Credit Union portfolios.

All factors considered we perceive the proposed rule as instrumental in detailing the requirements by which Credit Union's with the appropriate structure and risk management practices in place can continue to benefit and serve the small businesses and communities in which they operate.

Respectfully submitted,

**Brett Pacek**

Vice President of Lending NMLS #1049119

CASE Credit Union | Our service. Your success.

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