



August 24, 2015

Mr. Gerard Poliquin  
Secretary to the NCUA Board  
1775 Duke Street  
Alexandria, VA 22314

Re: Comment Letter on the Proposed Amendments to NCUA's MBL Rule

Dear Mr. Poliquin:

I am writing on behalf of SCE Federal Credit Union. With over 45,000 active members and \$637 million in assets, we serve the Greater Los Angeles area and Southern Nevada regions. We appreciate the opportunity to comment on the proposed amendments to the Member Business Lending regulations.

SCE FCU is supportive of the proposal to change the regulations to take a principles-based approach. This allows each Credit Union to design the program to benefit the diverse memberships we serve. With this in mind we especially commend the NCUA Board on the proposed exclusions or elimination of these loan types and requirement:

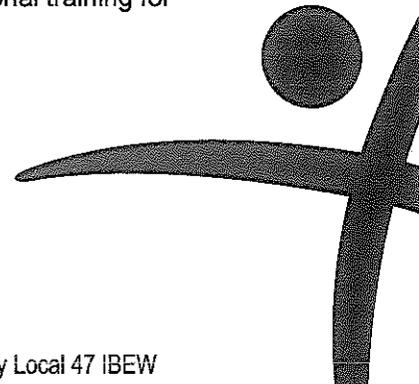
1. 1-4 family, non-owner occupied property loans
2. Vehicle loans made to small business owners
3. Business participation loans.
4. Personal guaranties

Specifically, the requirement of personal guaranties has caused our Credit Union to lose business to competitors on more than one occasion. Each time the borrower was either an employee owned company (ESOP) or a member-owned organization.

There are a couple of additional modifications we would ask NCUA to consider:

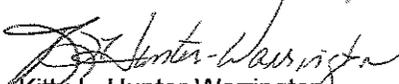
1. Exclude MBLs from the Net Long-Term Assets Ratio for those loans with remaining maturities, or with rate resets, less than five years. The existing requirement by NCUA to include all MBLs in this category arbitrary and counting all MBLs as long term assets can materially misrepresent an institution's interest rate risk profile.
2. Allow Federal Credit Unions to charge pre-payment penalties consistent with other financial institutions. Business loans are a costly process

In addition to the modifications, we would ask that NCUA consider a staggered timeline for implementation to the rules. There should be a fast track for those changes which would be simple Credit Union policy changes vs more the more complex changes which would require additional training for examiners.



We would also ask that the Supervisory Guidance be provided to Credit Unions for review and comment prior to the issuance of the final rule.

Sincerely,

A handwritten signature in black ink, appearing to read "Kitty L. Hunter-Warrington". The signature is fluid and cursive, with a prominent initial "K".

Kitty L. Hunter-Warrington  
Vice President, Business Banking  
SCE Federal Credit Union