

August 27, 2015

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

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

Dear Mr. Poliquin:

I am writing today to urge the NCUA to withdraw their proposal to “modernize” the NCUA’s member business lending regulation.

Credit unions were granted tax and regulatory advantages in order to support their original mission - to serve low to moderate income individuals. This status and mission seem contradictory to the proposal to increase a credit union’s ability to lend to commercial entities. This proposal would expand the ability of credit unions to compete directly against those financial institutions that have NOT been granted tax and regulatory advantages. 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.

I believe that there have been several attempts in the past to pass legislation that would increase the credit union’s commercial lending authority. These requests have been repeatedly rejected by Congress, because this increased commercial lending authority is inconsistent with the credit unions’ tax exempt mission. Therefore, it is our opinion that the NCUA should not grant powers that Congress has regularly rejected.

Venture Bank is a \$550 million bank with four branch offices located in the Minneapolis / St. Paul metropolitan area. We are a business bank, offering products and services tailored to support local small and medium sized businesses. As a very successful business bank, we understand the expertise needed to properly serve business clients, while maintaining a safe and sound financial institution.

The expertise needed to safely and soundly manage a consumer based financial institution is much different than the expertise needed to manager a commercial based financial institution. Again, it is our belief that they should focus on serving the needs of their individual members, especially individuals of modest means. This is especially important to support their tax exempt status.

The banking environment in the Minneapolis / St. Paul metropolitan area is extremely competitive. Every day we compete for good business related credits against other local business banks and large financial institutions with a local presence. This competition is expected and welcome. However, it does not seem fair that credit unions should be allowed to compete with other business banks while maintaining their tax exempt status.

Thank you for taking the time to consider this comment letter.

Sincerely,



Michael T. Zenk
President, Venture Bank