

www.progressivecu.org

131 West 33rd Street, 7th Floor • New York, NY 10001 • T. 212.695.8900
Member Service Fax 212.695.6377 • Lending Fax 212.695.0759

August 31, 2015

Via email - regcomments@ncua.gov

Gerald S. Poliquin, Secretary of the Board
National Credit Union Administration
1175 Duke Street
Alexandria Virginia 22314-3428

Re: Comments on proposed rulemaking for Part 723
Member Business Loans, Commercial Lending

Dear Mr. Poliquin,

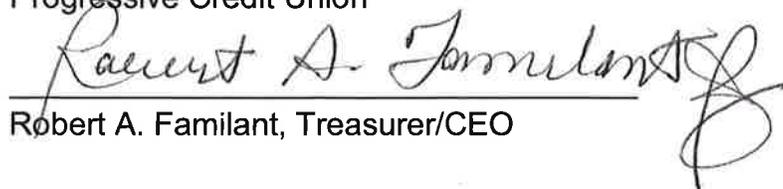
Thank you for your efforts to modernize the Member Business Loan Rule and support the growth of MBLs in a safe and sound manner. Please accept my recommendations stated below.

I am concerned about replacing the current rule's prescriptive requirements and limitations such as collateral and security requirements, equity requirements, and loan limits with a broad based regulatory approach which would then be directed by "supervisory guidance". Previous experience has shown that supervisory guidance is interpreted differently by different examiners leading to potential inconsistency. Further, the purpose of rulemaking should be to create rules with stakeholder input and supervisory guidance eliminates that input.

The waiver process is helpful to credit unions particularly in areas as complex as member business lending. The waiver mechanism should be maintained in the new regulation.

Finally, with respect to changes, in the associated borrower definition, credit unions will need to be grandfathered as to their existing portfolios.

Very Truly Yours,
Progressive Credit Union


Robert A. Familant, Treasurer/CEO