

- Which of the borrower's principals are required to provide a personal guarantee and the type of guarantee required based on different ownership structures for the business. The letter also clarifies what constitutes an associated borrower.
- The documentation you will need to submit and standards you will need to meet to request and qualify for a waiver.
- New NCUA procedures intended to streamline the process for obtaining waivers for credit unions buying a participation interest in an MBL.

I appreciate hearing constructive views that help NCUA improve the clarity of our rules and guidance.

If your credit union makes or plans to make MBLs, I encourage you to review the attached supervisory guidance. It will not only help you understand the MBL waiver process, it also contains guidance on sound risk management practices that will aid you in maintaining a safe and sound MBL portfolio.

Adhering to these risk management principles will help you tailor loans to meet the specific needs and financial capabilities of your members with small businesses.

If you have any questions related to this letter, please contact NCUA's Office of Examination and Insurance at 703-518-6360 or EIMail@ncua.gov.

Sincerely,

/s/

Debbie Matz
Chairman