

**From:** [Sandy Lumbley](#)  
**To:** [Regulatory Comments](#)  
**Cc:** [Kurie, Amanda M](#)  
**Subject:** Sandy Lumbley -Comments on Proposed Rulemaking for Part 723  
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Dear National Credit Union Administration,

I want to comment on the Proposed Rulemaking for Part 723. I have never commented on a proposed rule change before, however this one is long overdue. Kerr County FCU is a \$59 million dollar credit union that has a low income designation as well as CDFI certified. We do an amazing job serving those members that the big banks won't. We have many small business members. The traditionally called "Mom and Pop" businesses. At our last exam we had some loans that were written up that were slightly over the \$50,000 limit. Although I now 100% agree with my examiner that I was restrained by regulation, and should not have done those loans, this proposed change in regulation would have allowed those loans to have been made. We financed a hearse for a local long standing Funeral Parlor here in our community. These are outstanding community members with excellent credit. The hearse was over the \$50 thousand threshold and they put \$20,000 cash down. Under current rules I should not have made that loan. The new proposed rule change would make this a permissible commercial loan and would allow us to serve this member.(they have since bought two others that I had to refer the loans to a local bank) We have another retired couple in the community that sell used auto's from a lot at their house. They do this for extra retirement income. It is not their only source of income and they also have excellent credit. They keep maybe 5 vehicles at a time. They want us to hold the titles and fund the loans. Under current rules I would not be able to do this, however in the proposed definition of commercial lending I would be able to help this member. I could go on and on with stories such as these that I am turning away. We are the recipient of over 1.7 million dollars in grants from the CDFI fund. We have demonstrated that we are serving the small business in the area. I am very passionate about this proposed change. I believe that the restrictions on staff having the two years direct experience is also a burden to small credit unions. In my case I have been doing loans for 16 years and have had 4 successful businesses. I understand business and understand lending. I lack the two years direct experience, but I know how to analyze business income. The language in the proposed rule was very easy to understand and makes so much sense. The \$250 million asset thresh hold was a very good part of this as well. Small credit unions know there members and know there needs. I believe that the majority of small credit unions can grant loans that meet the proposed commercial loan definition on a case by case basis. I can only speak for our credit union, but these loans are infrequent but necessary to be our members primary financial institution.

Thank you for allowing us to comment on this proposed rule.

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