

**From:** [Latil, Oliver](#)  
**To:** [Regulatory Comments](#)  
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As the CEO of a community bank I am writing to oppose the National Credit Union Administration's proposed rule to dramatically expand credit unions' authorities for Business Loans and Commercial Lending.

Credit Union's lack of regulatory oversight of the concentrations of these loans without Congressional approval is reckless. Unchecked, credit union commercial lending will undermine the economy and America's community banking system. **Lack of important safety-and-soundness checks and balances** will encourage credit unions to divert resources to financing large commercial enterprises while relaxing the safety and soundness regulations associated with such loans.

I am very concerned regarding the safety and soundness risks posed by credit unions entering the commercial lending arena. NCUA has not established that it is prepared to supervise institutions with expanding business loan portfolios, and the credit union industry has proven ill-equipped to make such loans. At least five credit unions since 2010 have failed at the hands of poorly run business loan programs, accounting for a quarter of all losses to the insurance fund during that period. Losses could quickly multiply under this proposed rule.

In addition, relaxing the regulatory standards is contrary to NCUA's charge of protecting the industry's insurance fund, and effectively places the taxpayer at risk. NCUA is willfully ignoring lessons from their history and encouraging credit unions to divert funds from consumer lending to commercial lending. Consider expanding on the impact of allowing an ill-prepared lender into a new market and what could occur in an economic downturn if these loans are not properly underwritten, especially given the rule's liberal allowance of loan participations could cause bad loans to be syndicated broadly.

Clearly congressional intent is to limit business lending by credit unions. In 1998, Congress made it clear that credit unions should be focused on consumer lending, not commercial lending. Congress instituted restrictions on business lending deliberately: "to ensure that credit unions continue to fulfill their specified mission of meeting the credit and savings needs of consumers, especially persons of modest means, through an emphasis on consumer rather than business loans." By proposing this rule, the NCUA Board has blatantly disregarded congressional intent. NCUA should not undermine specific limitations by Congress nor expand the taxpayer liability.

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