From:	Craig Tucker
To:	_Regulatory Comments
Cc:	Rep.Loebsack@mail.house.gov; Chuck.Grassley@grassley.senate.gov; Joni.Ernst@ernst.senate.gov
Subject:	Craig Tucker--Comments on Proposed Rulemaking for Member Business Loans, Part 723
Date:	Wednesday, July 22, 2015 12:16:08 PM

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

Dear Mr. Poliquin,

The National Credit Union Administration's (NCUA) proposed rule to dramatically expand credit unions' authorities for member business loans and commercial lending is very concerning to me. NCUA has shown itself to be a rogue agency that does more cheerleading than supervising the $1 trillion tax-exempt credit union industry. This proposal will provide credit unions with the opportunity for a large taxpayer-subsidized expansion into commercial lending.

NCUA's proposal poses serious safety and soundness concerns to me. 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. In 2010, member business loans were the primary or secondary contributing factor for the supervisory concern for nearly half of the credit unions with CAMEL ratings of 3, 4 or 5 that made business loans. The level of delinquent member business loans dramatically rose from 0.53 percent in 2006 to 4.29 percent in 2010; compared to a total loan delinquency of 1.74 percent, this is a clear indication that credit unions, and NCUA itself, were ill-prepared for the additional responsibilities and risks associated with commercial lending. 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. Credit unions original purpose was to lend money to their members, not be engaged in commercial lending where there is already a more than adequate supply of available credit.

NCUA is overstepping its regulatory reach by expanding business lending loopholes. This proposal is contrary to congressional intent 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.

Sincerely,

Craig L. Tucker, DVM
New Liberty, IA 52765