

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

July 23, 2015

Dear Sir,

Our letter is in comment to the pending rulemaking wherein credit union business lending powers might be expanded by regulatory fiat.

We believe that credit unions have a tax subsidy to serve the underserved markets and deal in business that is in smaller in size, rural, or otherwise being underserved by other financial institutions. We have made this message clear to our elected officials and they have chosen not to expand the allowable level of commercial lending by your members.

Now we find an effort to circumvent the legal process with regulatory fiat. We think that should you allow such a change, not only are you operating in an area of moral question when the elected official choose not to make this increase statutorily, you are accepting fairly significant risk. As a business lender with 40 years of experience, I can speak with a fair amount of knowledge that quickly growing portfolios of any business line represents significant risk and that commercial lending is among the riskiest of business lines in the financial services world. I strongly suggest at least a moratorium until existing portfolios have matured and to determine if sufficient expertise resides within the Credit Unions to properly underwrite and administer these portfolios.

Thanks you kindly for your consideration of my comments.

Sincerely,

Gerald B. Ernst

Gerald B. Ernst,
President and CEO
Horizon Community Bank
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