

**From:** [Ralph Tapscott](#)  
**To:** [Regulatory Comments](#)  
**Cc:** ["Paul Hickman"](#); [All Employees](#); [Board of Directors](#)  
**Subject:** Expansion of Credit Union powers in Business and Commercial Lending  
**Date:** Saturday, July 25, 2015 3:51:55 PM

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Dear Gerald Poliquin:

I have been in commercial banking for almost 30 years, and have worked for some of the nation's largest banks and have run a couple of community banks. I have no problem with credit unions sticking to the original congressional mandate that allowed their tax exemption. I have chosen to largely stay out of retail banking and not compete for this business.

I remember the bailout of the FSLIC and how that affected my industry. The proposed easing of restrictions and oversight in business and commercial lending by the NCUA could easily recreate this very same situation and appears unwise. Just look at the apparent risk that currently sits in that portfolio, given a somewhat expansionary economy, and ask yourself if you want to be in the catbird seat when the next recession sets in. I do not want to see any financial burden, associated with lack of adequate reserves in the NCUA insurance fund, carried over to the general public or to the bank insurance fund.

Additionally, side-stepping the legislative process seems a little reckless to me. Congress has stated they want to see credit unions continue to fulfill the legislative mandate of meeting the savings and credit needs of consumers, especially people of modest means. I have not seen a recent report card on progress towards these objectives, but I believe I did see a HMDA report for 2012 in Arizona where a meager 1% of total loans went to low income families, and almost 90% went to upper income families. That hardly supports the tax exemption given this industry. Use your authority to mandate credit unions fulfill their mission and help further evolve our economy by supporting consumers and people of modest means with access to financial products.

This message will be further forwarded to our legislative body next week. I am always available if you would like to further discuss. I am also asking our bankers and my board to contribute their thoughts.

**Ralph Tapscott**

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