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Your Kind of Banker.*

A. Ford Sasser III  
President and CEO

July 22, 2015

JUL27'15 PM 2:30 BOARD

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

Re: NCUA's Proposal to Expand Credit Union Business Lending

Dear Mr. Poliquin:

It has come to my attention that the National Credit Union Administration (NCUA) has a proposed plan to expand credit union business lending. The plan appears to widen loopholes to the member business lending cap, make the statutory cap meaningless and remove important safety-and-soundness checks and balances.

Over the years, it has appeared to me that the original business model for credit unions has changed. It was originally started to help the unbanked with very narrow membership requirements. Its original purpose was good and deserved the favorable tax treatment because of its narrow authorities and membership. It is clear that some of those credit unions have grown to something that is outside the original purpose of the credit union. Because of that, they may want to become banks. But over the years, the NCUA seems to be allowing the credit unions to become banks without becoming banks, and doing it in markets that are no longer underserved area.

The NCUA needs to return to its purpose of regulating its credit unions and not being their cheer leader. The NCUA needs to maintain the original purpose of the credit union for the good of its members. Most credit unions have remained on the reservation and have done the right thing under the spirit of the credit union model. It is up to the NCUA to real those credit unions back in. Stop those that want to go off the reservation. Don't propose a new rule that allows them to get into business lending.

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As a banker, I see my fellow bankers from all over the country aggressively trying to meet the commercial and consumer credit needs of our communities. Most banks in this country have very low loan to deposit ratios because the economy is slow and loan growth is difficult to obtain. Adding more commercial lenders in the form of credit unions is not a way to maintain a safe and sound banking industry or credit union industry. This certainly runs counter to the NCUA charge of protecting the industry's insurance fund. The NCUA should be encouraging credit unions to increase their consumer lending; not venturing out into a line of business that it has no experience or have the NCUA supervise a practice it is not had the history of regulating.

I ask that the NCUA not make proposals on behalf of the credit unions to venture out into areas outside the original purpose of the credit union. I ask that the NCUA step up to its supervisory duty and make sure that all credit unions are operated as credit unions as they were originally chartered to operate. Get them back on the reservation. Don't let them run the NCUA. Make the NCUA supervise the credit unions.

Kindest Regards,



A. Ford Sasser III  
President and CEO

cc: Congressman Ruben Hinojosa  
Senator Ted Cruz  
Senator John Cornyn