



JUL27'15 PM 2:28 BOARD

James D. "Dan" Rollins III  
Chief Executive Officer

July 22, 2015

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

Dear Mr. Poliquin,

Please accept this letter as our company's strong objection to the NCUA's proposal to expand credit union business lending. By proposing that non-member business loan participations not count towards the statutory cap, you are in effect evading congressional oversight. 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." This proposed rule will blatantly disregard congressional intent.

Since 2010, at least five credit unions have failed as a result of poorly run business loan programs. From 2006 to 2010, the level of delinquent loans rose dramatically from .53% past due to 4.29%. This is a clear indication that credit unions are ill prepared for the additional responsibility and risk associated with commercial lending. By relaxing the regulatory standards on commercial lending, the NCUA is placing the industry's insurance fund at risk.

The NCUA should not undermine specific limitations imposed by Congress nor expand the potential taxpayer liability. This proposal will do both. I strongly urge the NCUA to reconsider the proposal to expand the credit union industry's authority into commercial lending.

Respectfully,

James D. Rollins III  
Chief Executive Officer

cc: U. S. Senator Thad Cochran  
Dirksen Senate Office Building SD 113  
Washington, DC 20510-2402

U. S. Senator Roger F. Wicker  
555 Dirksen Senate Office Building  
Washington, DC 20510