



July 27, 2015

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

Re: Comments on Proposed Rulemaking for Member Business Loans, Part 723

Dear Mr. Poliquin:

The purpose of this letter is to briefly comment on the above referenced proposal concerning significant expansion of business lending for credit unions. Having worked for tax-paying banks spanning approximately forty years, it concerns me on several fronts that you are expanding commercial lending opportunities for credit unions. These concerns are centered around the following issues:

1. The community bank for which I serve as CEO has a strategic plan that centers primarily around commercial lending and expansion of the credit union authorities in the commercial lending space will enhance the non-tax paying credit unions' opportunities to underprice business loans versus bank pricing. Our bank has already had to limit some of our consumer lending because of the pricing differential and we certainly do not want this to happen in the commercial lending arena as well.
2. With my history of commercial lending, I know that it takes special training of lenders and regulators to be able to effectively manage the commercial lending programs in the banking business. It concerns me that the credit unions and its regulators will be greatly expanding their commercial lending reach and possibly without the appropriate tools to manage the process. This was certainly the case with a number of credit unions following the last economic downturn even with their limited commercial lending limitations. This could certainly have a negative impact on the industry's insurance fund and therefore, be an additional expense to taxpayers.



3. It is questionable to me if this expansion of commercial lending powers is not contrary to congressional intent. In 1998, Congress made it clear that credit unions should be focused on consumer lending and 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 loans rather than business loans. This proposed rule, again, seems to be contrary to this mandate.

Thank you for the opportunity to forward my concerns to you.

Yours truly,



John S. Poole  
Chief Executive Officer  
Carolina Alliance Bank

CC: Trey Gowdy  
Lindsey Graham  
Tim Scott