

**From:** [Ricky Ray](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Comments on Proposed Rulemaking for Member Business Loans, Part 723  
**Date:** Thursday, July 30, 2015 3:30:06 PM

---

Dear Secretary Poliquin,

The NCUA's recent proposal to dramatically expand credit unions' authorities for member business loans and consumer lending should, with all due respect, be promptly withdrawn.

The NCUA has not established that it is prepared to supervise institutions with expanding business loan portfolios, and the credit union industry has proven ill-equipped to make such loans. At least five credit unions since 2010 have failed at the hands of poorly run business loan programs, accounting for a quarter of all losses to the insurance fund during that period. In 2010, member business loans were the primary or secondary contributing factor for the supervisory concern for nearly half of the credit unions with CAMEL ratings of 3, 4 or 5 that made business loans. The level of delinquent member business loans dramatically rose from 0.53 percent in 2006 to 4.29 percent in 2010; compared to a total loan delinquency of 1.74 percent, this is a clear indication that credit unions, and NCUA itself, were not ready for the additional responsibilities and risks associated with commercial lending. Losses could quickly multiply under this proposed rule.

In addition, relaxing the regulatory standards is contrary to NCUA's charge of protecting the industry's insurance fund, and effectively places the taxpayer at risk. NCUA is willfully ignoring lessons from its history by encouraging credit unions to divert funds from consumer lending to commercial lending.

Finally, NCUA is overstepping its authority by expanding these business lending loopholes. Congress has made it clear for decades that credit unions should be focused on consumer lending, not commercial lending. This proposal, however, blatantly disregards congressional intent. Moreover, this proposal jeopardizes the safety-and-soundness checks and balances that Congress, with good reason, decided to place on the credit union industry.

NCUA's proposal, if adopted, will detrimentally impact countless communities across the country, including many in my home state of Alabama. Again, please promptly withdraw your proposal.

Sincerely,

Ricky Ray  
372 Azalea Dr  
Gadsden, AL 35901