



500 Fourth Avenue
P.O. Box 73880
Fairbanks, Alaska 99708
(907) 452-1751
Fax (907) 456-5982
www.mtmckinleybank.co

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

August 4, 2015

Re: Expansion of Credit Union Business Lending Authority

Dear Mr. Poliquin:

Mt. McKinley Bank is opposed to the NCUA's proposed rule to dramatically expand the authority of credit unions to originate business loans. The credit union business model is not designed to accommodate an expansion of its current business lending activity level and doing so would cause harm to the many small community banks that have established, over many years of doing so, the sound ability to underwrite such loans in their respective communities.

The proposed rule removes critical safety & soundness checks and balances by eliminating the requirement for personal guarantees, LTV limitations and collateral requirements. Sound business lending features an aspect of all of these conditions and, if enacted, would give an operational edge to credit unions versus a small community bank underwriting the same commercial credit. This would encourage a credit union to finance a commercial enterprise under a significantly greater risk profile versus the underwriting rules a community bank would be expected to follow. This is just not a "fairness" issue; the very rule poses serious safety and soundness concerns that should give you pause in taking the proposed action.

The credit union model is best served in meeting the consumer and residential borrowing needs of its members. Going beyond that specific mission invites significantly greater financial risk that the credit union industry is not equipped to manage in a manner that would meet regulatory expectations. Community banks such as Mt. McKinley Bank have perfected its small business loan program over many years of supervised lending; let us continue to serve our community in a safe and sound manner without added competition from a government subsidized industry.

Thank you for this opportunity to comment on the proposal to expand the business lending activities for credit unions as proposed by the National Credit Union Administration.

Barton S. LeBon

Executive Vice President & Chief Credit Administrator





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