

August 07, 2015

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

RE: Comments on Proposed Rulemaking for Part 723; RIN 3133-AE37

Dear Gerald Poliquin,

I am writing on behalf of Jefferson Financial Credit Union (JFCU), which serves Jefferson Parish Public School System employees, residents of Jefferson Parish former members of Mainstreet FCU and additional SEGs. We have 53,000 Members and 392 million in assets. JFCU appreciates the opportunity to provide the comments to the National Credit Union Administration (NCUA) on its proposed amendments to the member business lending regulation.

We believe the switch from a perspective rule to a principle-based rule will allow for more flexibility when considering LTV and equity contribution requirements. Borrowers would be evaluated using global underwriting conditions without the need for statutory waivers. This would streamline processes and provide better member service.

The MBL cap as a percentage of net worth would allow us to provide more members with the loan services they need as long as our risk based capital permits. This would not have an immediate impact on JFCU as we are not approaching the statutory limits yet. This as well as the adjustment in the calculations of loans that count toward MBL caps certainly will open things up for future lending.

We believe the NCUA examiners will be able to monitor and evaluate the new processes without any difficulties. The agency has been moving in this direction previously and has pushed for many of the provisions included in this new rule such as improved credit risk rating systems.

The distinction between MBLs and commercial loans will help JFCU. Non-member business participation loans will not have to be counted against the statutory cap. This will help us as we continue to grow MBLs as we feel participations fit into our future strategies.

In addition JFCU already has a credit risk rating system that we believe complies with the new rule. However we will evaluate it to make sure all requirements of the new rule are addressed and modify if deemed necessary.

JFCU believes that these changes are necessary not only for what we have planned for our growth but for the growth of the industry and economy as well.

Thank you for the opportunity to comment on the this Proposed Rule and for considering our views on the proposed MBL rule.

Sincerely,

Carie Lopez
VP-Lending
Jefferson Financial CU

cc: CUNA, CCUL