



## SPRING BANK

August 4, 2015

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

AUG10'15 PM 2:35 BOARD

Dear Mr. Poliquin:

The purpose of my letter is to communicate my concern in regard to the proposal to alter existing limitations on business lending for credit unions.

The focus of Spring Bank is to serve small privately owned businesses and commercial real estate investors. Our success in serving our clients allows Spring Bank to support our community in other ways. We sponsor financial education in local high schools, we support our local Honor Flight chapter that honors WWII Veterans and we support local art programs. Our local business community is currently well served by local banks. Eliminating restrictions on business lending for credit unions not only impacts local banks and our clients, but it may very well impact our capacity to support non-profit needs in our communities.

It is my opinion that the NCUA proposal oversteps its regulatory reach by expanding credit union business lending loopholes. Congress instituted restrictions on credit union 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".

The credit union industry is ill prepared to evaluate and manage commercial credit. At least five credit unions have failed since 2010 due to poorly run business loan programs, accounting for a quarter of all losses to the insurance fund during that period. I strongly urge you to maintain existing limitations on business lending for credit unions.

Regards,

David L. Schuelke  
President and CEO