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

August 4, 2015

Dear Mr. Poliquin,

AUG10'15 PM 2:34 BOARD

I have been in the banking industry in Texas for over 30 years working for the large money center banks doing large corporate banking, regional banks doing middle market commercial banking and community banks doing small business lending. I have even worked at three De Novo banks helping to grow them "from scratch" two of which have sold to larger banks and at the third we are just clearing \$700,000,000.00 in assets. I have had the pleasure of seeing this industry from many levels and perspectives in both good times and the very worst of times.

As you know the world of providing financing and depository services has materially changed especially since this last financial crisis. The Dodd Frank bill is upending the entire finance and banking industries and this law is not yet even finished being written. In fact, I am not sure it will ever be finished until a republican president and republican controlled congress are all together in Washington at the same time to stop bureaucrats who are un-elected and whose work is not subject to the approval of our representatives from continuing to tear down what is the main engine of capital flow in the US.

This bill is the result of poor lending standards created out of mandated regulations from Washington that were supposed to be well-intentioned, un-ethical behavior that went very long unchecked even though it was scrutinized by government watch dogs and un-accountable management who thought no-one cared and dipped their hands into the cookie jar up to their elbows. It seems to me the last thing that should be presented now is more of those same policies that will absolutely result in the next crisis.

I worked at two banks that failed: First RepublicBank which was the largest bank failure in history at that time and First City Bancorp which was the only bank in the US to fail twice (failed the second time I believe within 5 years of the first time). The first failure was due to a concentration in the southwestern portion of the US on the oil and gas industry to drive economic growth. It proves it is hard enough over the long term to survive in this industry. The second bank's second failure was due to government intervention which led to poor management being installed by the regulators, whose inept watchdogs let unethical and criminal activity of this bank's management go on for years that eventually led to its demise a second time.

The lending business works only when the management and the policies of that management support safety and soundness. Such policies are tried and true over many years and economic conditions. Every time we deviate from them it creates another crisis. The changes to these tried and true practices that underpin the safety and soundness of our financial industry that are being proposed for the credit



unions who are not as experienced in commercial lending as the banks (who as you can see have trouble getting it right) are with certainty going to lead to a crisis in their industry. If you want to get rid of these businesses then move forward with the proposals. It will be only a matter of time as the banking industry (and the S & L industry) knows and has experienced.

The problem with letting the credit unions fall flat on their face is that the banking industry will be whitewashed with the same brush as the credit unions and additional bank destroying regulations will be added. It is time to stop the cycle. It is time to stop giving Washington an excuse to continue to keep beating us down and eventually out of business.

I appreciate your consideration.

Sincerely



Mitchell Schulman

Market President – Cinco Ranch

Icon Bank of Texas, NA

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