



AUG18'15 AM10:39 BOARD

July 22, 2015

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

Senator Charles Schumer
322 Hart Senate Office Building
Washington DC 20510

Senator Kirsten Gillibrand
478 Russell Senate Office Building
Washington DC 20510

Representative Thomas Reed
2437 Rayburn HOB
Washington, DC 20515

Re: Comments on Proposed Rulemaking for Member Business Loans, Part 723

I wish to share my comments and concerns related to the proposed rulemaking that will dramatically expand authority for credit unions to make Member Business Loans and Commercial Lending. These concerns relate to NCUA's proposal to increase the statutory cap (beyond Congressional intent) and the impact on safety and soundness by such an increase in such lending.

It appears NCUA may be overstepping its regulatory reach by expanding business lending in this manner. This broad proposal appears to be contrary to congressional intent to limit and control business lending by credit unions. NCUA should not undermine specific limitations established by Congress nor expand potential taxpayer liability.

I also believe NCUA's current proposal poses serious potential safety and soundness concerns. History illustrates that NCUA and credit unions have been relatively ill-prepared for the additional responsibilities and risks associated with commercial lending. In addition, the proposed relaxing of several prudent regulatory standards on member business lending is problematic.

Our community bank has consistently grown our small business, agribusiness and agricultural lending since we opened for business in 2007. We've seen no evidence that area banks are unable to meet the current business credit needs of the communities we serve. The desire to expand credit union MBL lending has come from larger credit unions, not an outcry from business owners.

Credit Unions were initially created to serve people of modest means with a common bond, not businesses. That's the underlying rationale for the existing MBL cap. This new proposal is just another expansion of credit union authority that allows them to stray even further from their core mission, but worse will create additional risk and negatively impact community banks like ours. USNY Bank is under \$250 million in total assets, which is pretty small by industry standards, yet we pay in excess of \$1 million in income taxes annually. Expanding MBL authority to possibly benefit just a few big credit unions that are significantly larger than us (but still income tax-exempt) serves no demonstrated public need and it only damages our community banks.

Please reconsider this ill-advised proposal.

I'm sure ABA and ICBA will provide their own detailed comments on this proposal, but I thought it was important to add mine. Thank you for your consideration of my comments and concerns.

Sincerely,



R. Michael Briggs
President & CEO
USNY Bank
389 Hamilton Street
Geneva, NY 14456



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Bank of the Finger Lakes, a unit of USNY Bank