

August 13, 2015

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

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

Dear Mr. Poliquin:

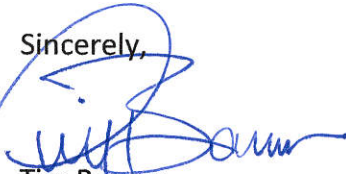
Horace once said, "Your safety is at stake when your neighbor's wall is ablaze." The National Credit Union Administration's proposed rule to dramatically expand credit unions' authorities for Member Business Loans and Commercial Lending would be akin to lighting a match to the credit union industry thus weakening the current financial marketplace.

In the three small communities that our bank operates, there are thirteen (13) commercial banks serving approximately 127,000 individuals and 10,700 small businesses. As you can see, competition is strong and the small business population is well served. NCUA's proposed rule would allow credit unions to enter the small business arena without safety and soundness checks that the commercial banking consider prudent.

At least five credit unions since 2010 have failed at the hands of poorly run business loan programs, accounting for a quarter of all losses to the insurance fund during that period. In 2010, member business loans were the primary or secondary contributing factor for the supervisory concern for nearly half of the credit unions with CAMEL ratings of 3, 4 or 5 that made business loans. The level of delinquent member business loans dramatically rose from 0.53 percent in 2006 to 4.29 percent in 2010; compared to a total loan delinquency of 1.74 percent, this is a clear indication that credit unions, and NCUA itself, were ill-prepared for the additional responsibilities and risks associated with commercial lending. Losses could quickly multiply under this proposed rule and set "your neighbor's wall ablaze."

With that said, in our small three counties in rural Southern Kentucky, Hometown Bank is a neighbor and we have great concern about the Proposed Rulemaking for Member Business Loans, Part 723. I hope you reconsider supporting this initiative for the safety of the financial marketplace.

Sincerely,



Tim Barnes

President/CEO

Hometown Bank

CC: Congressman Hal Rogers  
Congressman Andy Barr  
Senator Mitch McConnell  
Senator Rand Paul