

Submitter Info.txt

Please Do Not Reply To This Email.

Public Comments on Member Business Loans; Commercial Lending: =====

Title: Member Business Loans; Commercial Lending  
FR Document Number: 2015-15466  
RIN: 3133-AE37  
Publish Date: 7/1/2015 12:00:00 AM

Submitter Info:

First Name: Ralph  
Last Name: Cumbee  
ZIP/Postal Code: null  
Email Address: null  
Organization Name: Solarity Credit Union  
Comment: July 20, 2015

Gerard S. Poloquin, Secretary of the Board, NCUA  
1775 Duke Street  
Alexandria, VA 22314-3428

Via e-mail at [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Dear Mr. Poloquin;

I am the Chief Lending Officer for Solarity Credit Union located in Yakima Washington. We are a \$580m State Chartered institution. I am contacting you with comments regarding the NCUA proposed rule that would completely overhaul the NCUA's current Member Business Lending (MBL) regulation. Currently there are only seven states that have their own state-specific MBL rules. Washington is among these states. State-specific MBL rules helped Washington credit unions weather the 2008 Wall Street banking crisis and proved how they excel in sound lending and risk management practices. State-specific rules allow state supervisory authorities to interpret a rule differently from the way that the NCUA interprets a section of a rule, even if the rule is substantially the same as the NCUA rule. Existing state-specific rules allowed for proof of concept and provided the NCUA a road map for improving their MBL regulation.

Therefore it is imperative that States be allowed to maintain previously adopted state rules and to retain the ability to update or submit a new state rule to the NCUA Board for approval. We are specifically asking that the NCUA not make any adverse changes to part 741. The current proposal includes a change to part 741.203 that would eliminate an important state carve out and this carve out must be maintained.

We would like to thank all three NCUA Board Members, Chairman Debbie Matz for championing the MBL reform effort, and Vice Chairman Metsger and Board Member McWatters for offering input that substantially improved the draft proposal. We would also like to thank the NCUA for removing a host of prescriptive limits, definitions and waivers. These proposed changes will definitely benefit our business lending by removing the requirement for a personal guarantee, the 80% limit on loan to value ratios, the limit on unsecured MBS, and the 15 % of net worth limit on loan to one borrower; which will now increase to 25% if the additional 10 percent is supported by readily marketable collateral.

Credit Unions, like all providers of financial services are facing a massively disruptive future as technology and non-bank lenders threaten both sides of our balance sheets. The increased ability to compete in an increasingly competitive market place is crucial for our institutions, and the industry's, survival. Credit Unions are uniquely positioned to offer business loans to underserved small businesses where others have abandoned those markets.

Thank you for your consideration.

Sincerely,

Ralph Cumbee  
NMLS ID# 760273  
S.V.P. - CLO/CIO | Solarity Credit Union  
509.895.8915 | Fax 509.895.8989 | www.solaritycu.org  
Engage. Enlighten. Empower.

July 20, 2015

Gerard S. Poloquin, Secretary of the Board, NCUA  
1775 Duke Street  
Alexandria, VA 22314-3428

Via e-mail at regcomments@ncua.gov

Dear Mr. Poloquin;

I am the Chief Lending Officer for Solarity Credit Union located in Yakima Washington. We are a \$580m State Chartered institution. I am contacting you with comments regarding the NCUA proposed rule that would completely overhaul the NCUA's current Member Business Lending (MBL) regulation. Currently there are only seven states that have their own state-specific MBL rules. Washington is among these states. State-specific MBL rules helped Washington credit unions weather the 2008 Wall Street banking crisis and proved how they excel in sound lending and risk management practices. State-specific rules allow state supervisory authorities to interpret a rule differently from the way that the NCUA interprets a section of a rule, even if the rule is substantially the same as the NCUA rule. Existing state-specific rules allowed for proof of concept and provided the NCUA a road map for improving their MBL regulation.

Therefore it is imperative that States be allowed to maintain previously adopted state rules and to retain the ability to update or submit a new state rule to the NCUA Board for approval. We are specifically asking that the NCUA not make any adverse changes to part 741. The current proposal includes a change to part 741.203 that would eliminate an important state carve out and this carve out must be maintained.

We would like to thank all three NCUA Board Members, Chairman Debbie Matz for championing the MBL reform effort, and Vice Chairman Metsger and Board Member McWatters for offering input that substantially improved the draft proposal. We would also like to thank the NCUA for removing a host of prescriptive limits, definitions and waivers. These proposed changes will definitely benefit our business lending by removing the requirement for a personal guarantee, the 80% limit on loan to value ratios, the limit on unsecured MBS, and the 15 % of net worth limit on loan to one borrower; which will now increase to 25% if the additional 10 percent is supported by readily marketable collateral.

Credit Unions, like all providers of financial services are facing a massively disruptive future as technology and non-bank lenders threaten both sides of our balance sheets. The increased ability to compete in an increasingly competitive market place is crucial for our institutions, and the industry's, survival. Credit Unions are uniquely positioned to offer business loans to underserved small businesses where others have abandoned those markets.

Thank you for your consideration.  
Sincerely,

Ralph Cumbee  
NMLS ID# 760273

Submitter Info.txt

S. V. P. - CL0/CI0 | Solari ty Credit Uni on  
509. 895. 8915 | Fax 509. 895. 8989 | www. sol ari tycu. org  
Engage. Enl ighten. Empower.