

From: [Michael F. Heidt](#)
To: [Regulatory Comments](#)
Subject: Michael F. Heidt comments on Proposed Rulemaking for Part 723
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Gerald S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

RE: RIN 3133-Ae37; Comments of Proposed Rulemaking for Part 723-Member Business Loans;
Commercial Lending

Dear Mr. Poliquin,

On behalf of Town and Country Credit Union, I would like to thank you for the opportunity to express our views on the recent proposal by the NCUA Board addressing the Member Business lending (MBL) rules of the National Credit Union Administration in Section 723.

I am generally in favor of the proposed lending changes. Town and Country is already grandfathered in and not subject to the cap on MBL, however there are some concerns I wish to comment on.

I am very much in favor of moving to a Principal-based methodology from the current prescriptive approach. However, I would like to point out, that we would like very much to be able to comment on the Supervisory Guidance that will be developed as well. If not, I fear that the changes being made will not help if the guidance is not addressed as well. If not, I also fear that we will be right back to the "Prescriptive type of the Examination Process."

While I am generally in favor of the Commercial Loan Policy- Section 723.4 of increasing the present 15% of Net Worth to up to 25%, I would like to see the NCUA's Definition of readily market collateral spelled out in black and white. I fear this could have several different interpretations to several different people. It is extremely important that Credit Unions have some flexibility in going over the 15% level just as the banks can do this. We are prudent lenders and certainly would not abuse this but we certainly would like the flexibility to do this if the risk can be mitigated and explained.

Town and Country presently is the holder of several waivers that have been provided and our record of exercising sound judgment of safety and risk speaks for ourselves.

Again, Thanks for the opportunity to comment on the proposed changes

Sincerely

Michael F. Heidt

*Michael F. Heidt
Chief Credit Officer
815 25th St S
Fargo, ND 58103*

*701-356-1724 office
Michael.heidt@townandcountry.org*

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