

From: [Timothy Matteson](#)
To: [Regulatory Comments](#)
Cc: [Thomas J. Shara](#)
Subject: Comments on Proposed Rulemaking for Member Business Loans, Part 723
Date: Friday, August 21, 2015 4:52:48 PM

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Dear Madam / Sir:

Please accept this email to reflect our institution's serious concerns and opposition to the referenced proposed rule that would radically expand credit unions' authorities for Member Business Loans and Commercial Lending.

NCUA's proposal poses serious safety and soundness concerns. NCUA has not established that it is prepared to supervise institutions with expanding business loan portfolios, and the credit union industry has proven ill-equipped to make such loans. 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 addition, relaxing the regulatory standards is contrary to NCUA's charge of protecting the industry's insurance fund, and effectively places the taxpayer at risk.

NCUA is overstepping its regulatory reach by expanding business lending loopholes. This proposal is contrary to congressional intent to limit business lending by credit unions. In 1998, Congress made it clear that credit unions should be focused on consumer lending, not commercial lending. Congress instituted restrictions on business lending deliberately: "to ensure that credit unions continue to fulfill their specified mission of meeting the credit and savings needs of consumers, especially persons of modest means, through an emphasis on consumer rather than business loans." By proposing this rule, the NCUA Board has blatantly disregarded congressional intent and, in the process, expanded taxpayer liability.

Thank you for your consideration of our comments and serious concerns.

Regards,

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