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AUG24'15 PM 2:39 BOARD

Gerard S. Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22311-3428

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

Dear Mr. Poliquin,

Please accept my brief comments of concern over the NCUA's proposal to expand credit union business lending.

I believe the proposal is contrary to congressional intent which stated that credit unions were to be focused on consumer lending, not commercial lending. Congressional intent was to ensure that credit unions 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. The NCUA should not undermine these specific limitations by Congress.

As I understand it, the proposal could dramatically increase business loans made by credit unions. As a commercial bank we are very familiar with business lending, the unique risks involved and the necessary policy/procedure staffing and internal controls. I fear that credit unions are not prepared to grow this segment in a safe and sound manner which can be disruptive to the small business credit market. Such lending is inherently risky and must have appropriate controls and regulatory oversight.

Our bank has significant investments in business loans in our community. I don't believe credit unions in general or the NCUA is prepared to deal with the unique issues surrounding this type of lending.

Thank you for the opportunity to comment.

Sincerely,

Darrell Rains  
Chief Financial Officer

Cc: Senator Lindsey Graham  
Representative Joe Wilson