

August 24, 2015

National Credit Union Administration
1775 Duke St.
Board Secretary
Alexandria, VA 22314

RE: Comments on Proposed Rulemaking for Part 723; RIN 3133-AE37

Dear Gerard Poliquin,

On behalf of the Maine Credit Union League, the trade association serving Maine's 60 credit unions, I would like to thank the National Credit Union Administration (NCUA) for proposing improvements to the Member Business Lending (MBL) rule. We support the new principle-based methodology and believe that the proposal will allow credit unions more flexibility to provide business lending to members.

Small businesses are the backbone of Maine's economy and the NCUA's MBL proposal makes improvements that will allow Maine credit unions to develop MBL programs that best fit their members' needs. Specifically, we support many of the waiver eliminations, the clarified categorization of nonmember participations, and the new commercial loan definition.

The current waiver process is cumbersome for many credit unions and has deterred participation in MBL programs in the past. The NCUA's proposal to eliminate waivers would have an overall positive effect on credit unions. However, as a state with many small credit unions, we have significant concerns regarding the proposal to move the single obligor limit of 15% of net worth into the commercial loan policy requirement and remove the related waiver provision. We believe this part of the proposal will have a negative effect on smaller credit unions and could actually cause a decrease in member business loans.

The revisions to the current loan-to-value requirements and the unsecured lending limitations will level the playing field for credit unions in Maine and across the country. The option to provide business loans without personal guaranties will similarly open up new business lending opportunities to credit unions.

We are very supportive of the NCUA's clarification that purchased nonmember business participations will not be classified as MBLs. Currently, a credit union must obtain a waiver if its combination of MBLs and purchased nonmember business loan participations cause it to exceed the MBL cap. In practice, there

have been very few of these waiver requests. We strongly believe that allowing credit unions to purchase nonmember participations with no impact on the MBL cap will allow credit unions to operate more easily within the MBL regulations while also meeting member business loan demands.

Lastly, we support the regulatory relief on certain business loans no longer subject to full commercial lending safety and soundness rules contained within the new commercial loan definition proposed in the rule.

While we believe that the NCUA'S MBL proposal is a significant step in the right direction and an overall positive for credit unions, the move from a prescriptive to a principles-based rule means that the examination of commercial loans and lending practices will likely be much more thorough because of the increased flexibility that credit unions will have to operate business lending programs. For that reason, we would appreciate the opportunity for credit unions to comment on the guidance NCUA will provide to examiners.

Thank you for the opportunity to comment on the proposed MBL rule. The Maine Credit Union League appreciates NCUA's effort to remove specific requirements that are not required by the Federal Credit Union Act and to allow credit unions more flexibility to serve member business lending needs.

Sincerely,

Elise Baldacci
Director-Government Affairs
Maine Credit Union League

cc: CUNA, CCUL