



August 24, 2015

Mr. Gerard Poliquin
Secretary to the NCUA Board
1775 Duke Street
Alexandria, VA 22314

Re: Comment Letter on the Proposed Amendments to NCUA's MBL Rule

Dear Mr. Poliquin:

Thank you for allowing Member Business Solutions, LLC (MBS) to comment on NCUA's Notice of Proposed Rulemaking for 12 CFR Part 723. We believe the proposed changes will be instrumental in helping credit unions better serve their business members while providing the industry more appropriate guidance in risk management.

I would respectfully ask the Agency to consider the following modifications:

True Sale – Participation agreements are predominately attorney prepared or approved documents that contain non-recourse language generally acceptable and understandable by all parties. The inclusion of the language “qualifying for true sales accounting under generally accepted accounting principles” may be interpreted by some to mean that every transaction needs a true sale opinion. Assurance to the industry that a true sale opinion is not required and/or a clarification of the proposed language as such is kindly encouraged.

Prepayment Penalties – This regulatory modernization effort is an opportune time to reconsider the moratorium on prepayment penalties. This pricing tool can be very appropriate for loans particularly those falling in the category newly defined as Commercial Loan.

Small Credit Union Exemption – Consider modifying to a **Small Portfolio Exemption** and allow credit unions of all asset size with commercial loan portfolios less than 15% of net worth participate in this exemption. This would more closely align the exemption with the relative risk.

The only major concern with the proposed regulation is the transference of exam focus from current prescribed rules to examiner interpretation of guidance. Since the guidance to examiners will play such a crucial role in future exams I would ask the NCUA to consider making the guidance available for public comment.

Please express our gratitude to all those involved in this effort, the proposal is a balanced approach to manage the risks of commercial lending and will allow well managed programs to expand services to business members and provide needed capital to generally underserved markets.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gallagher", written in a cursive style.

Jim Gallagher, President