



August 25, 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 RIN 3133-AE37

Dear Mr. Poliquin:

St. Helens Community FCU is pleased to comment on NCUA's Notice of Proposed Rulemaking for 12 CFR Part 723 regarding potential changes to the Member Business Loan regulations. We appreciate the Board's consideration of these regulations which will help credit unions better serve their business members' expanding needs.

St. Helens Community FCU was chartered over 75 years ago and has been serving business members for well over 25 years. Our current MBL portfolio holds over \$50M in loans and we are grandfathered under the existing MBL cap. We believe our long history of providing member business loans provides a unique perspective to NCUA in shaping the new MBL regulation.

We are familiar with both the Northwest Credit Union Association comment letter on this matter as well as the letter from CU Business Group and would concur with the overall thoughts shared in those letters. Specifically, we would like to encourage the board to consider the following:

1. Accelerating the implementation timing where feasible. Many of the items proposed can easily be implemented sooner than 18 months and would be beneficial to credit unions and their members.
2. Clear explanation of how these new regulations overall will affect those credit unions grandfathered under the existing 12.25% of assets MBL cap, specifically around the new definition of how the cap would be calculated.
3. Regulatory judgment – with the level of “supervisory guidance” that will be exercised as a part of implementing these new regulations, it is imperative that credit unions understand clearly the expectations and emphasis that the agency and its examiners will have when reviewing MBL programs.
4. State-specific existing MBL rules – we believe strongly that states be allowed to maintain previously adopted state rules and retain the ability to update or submit new state rules to the NCUA board for approval. Please do not make any adverse changes to part 741. The current proposal includes a change to part 741.203 that would eliminate an important state carve out that must be maintained.

5. Prepayment penalties. This issue is not directly addressed in the proposed rule but we believe warrants high consideration by NCUA for regulatory revision. Federally chartered credit unions are prohibited by regulation from having a prepayment penalty on any type of loan. While this may make sense in the area of consumer lending, business lending is very different and most often a longer, more costly process requiring specialized expertise and systems. For example, to originate and manage a new commercial real estate loan, the investment for a credit union can be typically thousands of dollars in staff time, systems, and third party costs. If a new member business loan pays off in a few months, the credit union has not had sufficient time to earn interest and recoup the high costs of making the loan. We respectfully request that loans defined as Member Business Loans under Regulation 723 be exempt from the prepayment penalty prohibition.

Thank you for the opportunity to provide input on NCUA's proposed rulemaking amending the Member Business Loan regulations.

Sincerely,

A handwritten signature in black ink that reads "Brooke Van Vleet". The signature is written in a cursive, slightly slanted style.

Brooke Van Vleet  
President/CEO