FORUM®
CREDIT UNION

August 24, 2015

Mr. Gerald Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: FORUM Credit Union Comments on NCUA Proposed Rule – Member Business Lending

Dear Mr. Poliquin:

FORUM Credit Union appreciates the opportunity to submit comments on the National Credit Union Administration's Proposed Rule on Member Business Lending (MBL). FORUM Credit Union serves 120,000 members and is headquartered in Fishers, Indiana.

We appreciate NCUA's efforts to modernize and improve the rules associated with Member Business Lending. Through our MBL offerings we have helped thousands of local businesses with both their depository and lending needs and have become trusted partners with these businesses.

Principle-based Rule Versus Prescriptive Model

FORUM supports switching to principle-based rules as this will allow for more flexibility than the current prescriptive model. While the prescriptive model does reflect sound lending principles, it does not allow for recognition of mitigating factors in underwriting standards. The principle-based rule does allow for recognition of mitigating factors and requires the credit union to set policy limits for when the formerly prescribed underwriting standards are amended.

Calculation Adjustments for MBL Statutory Cap

The adjustment in the calculation could certainly allow FORUM to make more MBLs; however, we are not currently near the statutory cap, so the change will have no practical effect in the near future.

P.O. Box 50738 Indianapolis, IN 46250-0738 e-mail: forum@forumcu.com web: www.forumcu.com phone: 317.558.6000 toll free: 800.382.5414

Clarity of Proposed Rule

The proposed rule does provide clarity regarding policies and procedures. The most significant impact is in regard to waivers. The rule changes will have little impact on FORUM's current lending practices and policies because we expect few exceptions to the formerly prescribed underwriting standards.

Examiners Application of Principle-Based Rule

FORUM believes our examiners should be able to conduct their exam of our portfolio utilizing the principle-based rule. We have concern there will continue to be differences in opinion about underwriting and portfolio management, and the differences of opinion will be more frequent because any failure to adhere to the formerly prescribed rule will be interpreted by the examiners as an unsound lending practice.

Removal of Waiver Process

Removal of the waiver process directly benefits our MBL program. The need for waivers in the existing structure places FORUM in a competitive disadvantage in our marketplace.

Distinction Between Commercial Loans and Member Business Loans

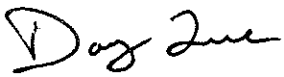
The effect of this distinction will be minimal to FORUM's MBL program.

Credit Risk Rating System

FORUM will not need to create a credit risk rating system in order to comply with the proposed rule as we have had a risk rating system in place for many years.

We commend NCUA for issuing this proposal and seeking input on the impact of the proposal to credit unions' MBL programs. Thank you for the opportunity to comment on the proposal. If you have any questions about this letter, please contact me at (317) 558-6206 or doug.true@forumcu.com.

Sincerely,



Doug True
CEO