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August 25, 2015

Gerard S. Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

Dear Secretary Poliquin,

I am writing to express my deep concern regarding the NCUA proposed rule change to expand credit union authorities for business and commercial lending activities. Credit unions have served an important role in serving those that might not otherwise have access to such services. Laws and rules governing the role of credit unions have been clear in the purpose and mission. Expanding the rule to allow commercial lending is not to serve an underserved arena but to compete directly with community banks that are serving small business very well.

Banks have always served this commercial lending market and are staffed and governed to do so in a safe and sound manner. The NCUA'S proposal poses significant safety and soundness concerns for credit unions. The NCUA has not supervised institutions with commercial lending portfolios and the credit union industry is not prepared to make such loans. This expansion of lending authority is contrary to the mission of the NCUA in protecting the industry's insurance fund. History can provide numerous examples of systemic failures when authority has been given to those who don't know by those who don't understand. Credit unions should remain focused on consumer lending. An expansion of commercial and small business lending is clearly outside the 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 community banking system adequately serves the needs of our small business and commercial loan needs. Community banks actively solicit small business loans as part of their core mission in serving their communities. Many community banks are in need of more lending to push out deposits and drive local economies. These same banks support the local charitable causes with both money and time from their employees. Community banks are involved in nearly every local cause and charitable event. A negative impact to the banks from expanded credit union authority would have a significant negative impact on the ability for banks to serve customers and communities.

The impact of the NCUA's proposed rule expanding credit unions' authority for expanded small business and commercial lending would be a devastating blow to community banks who have served their mission so well. I encourage you to have the credit unions serve the mission they were created for and not lead our country down the path of the next financial crises.

Sincerely,

H. Lytle Thomas