

From: [Gary Held](#)
To: [Regulatory Comments](#)
Subject: Comments on Proposed Rulemaking for Part 723
Date: Wednesday, August 26, 2015 9:10:06 AM

Dear Secretary of the Board Poliquin,

Thank you for the opportunity to comment on the Proposed Rule and for considering our views on the proposed MBL rule. I would like to thank NCUA for considering this revision opening opportunities for credit unions and their members.

I am writing on behalf of Glacier Hills Credit Union. We have about 15,000 Members and \$106 million in assets. We support NCUA's efforts to modernize the MBL regulation, which would give credit unions much needed flexibility in running a successful Member Business Loan program.

The proposed rule would switch from a prescriptive to a principles based MBL regulation. This change modernizes the regulation by giving credit unions flexibility to develop MBL programs to best fit their members' needs. A principles based regulation in some instances can complicate the running of an MBL program for credit unions, as management and boards of directors will bear a greater responsibility in developing and maintaining an MBL or commercial lending program that is safe and sound. However, we think this change is a fair trade off for the flexibility.

We also support the adjustments in the MBL calculation. Unfortunately, the statutory lending cap remains in place, but we support NCUA removing the 12.25 percent shorthand calculation as it is not required by the Federal Credit Union Act (FCU Act) and only an added complication to the rule. The proposed calculation meets the FCU Act's requirements while removing an unnecessary provision.

Furthermore, the current member business rule has many requirements that necessitate obtaining a waiver, even though they are not mandated by statute. This adds unnecessary burden to credit unions making commercial loans. The proposed rule would remove all of the requirements necessitating waivers and thus eliminate the need for waivers. This represents a major regulatory improvement that we fully support.

We also strongly support states adopting their own MBL rules. Many of the states have a long and successful member business loan experience.

We appreciate the commercial loan proposal as it will help us better serve our members and communities. We are hopeful that the agency will provide further guidance on the definition of what qualifies for a commercial loan in order to alleviate confusion for credit unions, regulators and field examiners.

Again, we support the NCUA's efforts to modernize the MBL rule. Thank you for the opportunity to comment on this proposed rule and for considering our views.

Sincerely,

Gary Held, Chairman of the Board GHCU
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