

**From:** [Steven Nothem](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Comments on Proposed Rulemaking for Part 723  
**Date:** Tuesday, August 25, 2015 6:10:07 PM

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Dear Secretary of the Board Poliquin,

The National Credit Union Administration is to be applauded for its proposal to ease the regulatory burden facing credit unions lending to small businesses. The proposal you are considering is a step in the right direction toward making sure that credit unions can fully serve their communities.

The recent mortgage crisis in America hit my communities (New Holstein, Chilton and Kiel, WI) pretty hard. The growing inventory of single family homes (many foreclosures) drove home values down until many residents here lost all of their home equity. Premier Financial Credit Union financed many of these homes, often for individuals whose intentions were to...

- provide inexpensive housing for their parents or children...
- fix up the house and use as a rental, to control who their neighbors are...
- supplement their wage income by having an inexpensive income producing property nearby...
- hold as an investment since many of their other investments were earning a poor rate of return.

The financing efforts of Premier Financial Credit Union reduced the inventory of homes in our markets. As a result, we see home values improving and increasing member home equity. An additional benefit of our lending efforts lies in the fact that these homes are being rehabilitated, which is a success story for our communities. (By-the-way, loan delinquency for these loans is nearly zero.)

Today, we are very near our 12.25% MBL cap. However, 43% of MBL's at PFCU would be reclassified as residential real estate loans if the definition an MBL were to exclude these 1-4 family non-owner occupied real estate loans. With this proposed classification change, we could continue this valuable work and help the economy and the residents of Wisconsin.

Most of the other proposed changes simply make common sense. The existing rules did not save credit unions from experiencing significant MBL losses these past years. Creating more restrictive rules only would stifle credit unions and their ability to serve their member. Each credit union must be allowed and encouraged to assess and mitigate their specific risks, whatever that may be, and develop individual policies and procedures that best serves them and their members.

I cannot thank you enough for allowing me the opportunity to comment.

Sincerely,

Steven R Nothem  
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