



August 19, 2015

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

AUG25'15 PM 1:39 BOARD

Dear Mr. Poliquin:

I write to oppose the National Credit Union Administration’s proposal to expand credit union’s ability to make commercial loans at an increased loan statutory authority. Seventeen years ago the United States Congress clearly opposed credit unions ability to expand further into business lending by imposing restrictions against them. At the time the intention of Congress was to ensure credit unions would continue to focus on meeting the deposit and lending needs of consumers. Apparently the NCUA is unhappy with Congress’ decision and plans to circumvent the decision without their approval.

Since 1918, The Capon Valley Bank has proudly served both customers from the consumer and commercial segments in the bank’s trade area. We have, are, and will continue to assist our customers, both consumer and commercial, for what we anticipate are many years to come. However, the further penetration by credit unions into the business lending market will most certainly have an effect on the bank’s ability to meet the expectations of our customer’s and shareholder’s alike. As you are probably aware the bank is required to forward a portion of its net income to the Internal Revenue Service on an annual basis, whereas, as I’m sure you are also aware, credit unions are exempted from this process. Competing on this unfair playing field is obviously difficult and this proposed expansion by credit unions into business lending will lead to the further shrinking of community bank’s margins and, thus, a fair return to our shareholders on their investment.

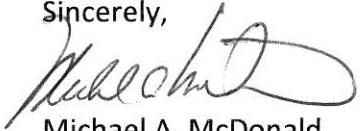
Because of the advantages credit unions have and the continued expansion of their powers the disappearance of the community bank will speed up exponentially. Rest assured that community banks are important to the communities in which we serve and the continued fading of this financial model is disastrous.

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Thank you for consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. McDonald". The signature is fluid and cursive, with a large, stylized initial "M".

Michael A. McDonald  
Executive Vice President