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*Submitted Via Electronic Mail*

August 27, 2015

Gerard S. Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428  
Washington, D.C. 20429

**Re: Comments on Proposed Rulemaking for Member Business Loans, Part 723**

Dear Mr. Poliquin:

The Tennessee Bankers Association appreciates the opportunity to voice our deep concerns regarding NCUA's proposed rule to further expand the credit union industry's member business lending (MBL) rule.

TBA represents 100 percent of Tennessee banks, from the largest national banks to the smallest community banks. We are a united industry in Tennessee and committed to serving the lending needs of Tennessee businesses. Our banks have the knowledge, skill and experience to make and service commercial loans to small start-ups to multimillion dollar businesses. To do this effectively takes incredibly talented and skilled professionals.

The NCUA proposal to "clarify" that non-member business loan participations do not count towards the statutory cap and eliminate regulatory oversight of the concentrations of these loans is concerning. In essence, this proposal would mean more focus on commercial lending for credit unions at a time when they already operate with significantly less oversight than the banking industry. This expands the competitive imbalance that already exists between banks and credit unions.

The NCUA's proposal would completely bypass Congress and the legislative process that put the MBL cap in place. Congress over the years has consistently resisted efforts to allow for credit unions to expand into commercial lending and instead tried to re-focus the industry on their original mission: serving low to moderate income individuals. Any attempt to stray from the credit unions industry's mission of serving consumers – not businesses – should go before Congress.

Should the proposed rule take effect, it would pose serious safety and soundness concerns. NCUA has failed to demonstrate its ability to supervise credit unions with high concentrations of business loans and the credit unions themselves have failed to demonstrate they possess the experience and skills to properly make and service such loans.

That is where the banking industry comes in. Tennessee banks and those across the country are already fulfilling the lending needs of businesses. To bring inexperienced lenders into the commercial lending arena could mean losses to the credit unions that make these loans, the businesses who could potentially default on the loans, and any banks that have other loans with these businesses.

Thank you for the opportunity to comment on the NCUA's proposed rule. On behalf of the Tennessee banking industry, I urge you to strongly consider withdrawing the rule.

Sincerely,

A handwritten signature in black ink, appearing to read 'C Barrett', written in a cursive style.

Colin Barrett  
President

CC: Senator Lamar Alexander  
Senator Bob Corker  
Congressman Diane Black  
Congressman Marsha Blackburn  
Congressman Steve Cohen  
Congressman Jim Cooper  
Congressman Scott DesJarlais  
Congressman John Duncan  
Congressman Chuck Fleischmann  
Congressman Phil Roe