



August 27, 2015

Mr. Gerard Poliquin

Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Sent via E-mail to: regcomments@ncua.gov

Re: Chocolate Bayou Community Federal Credit Union's Comments on Proposed Rulemaking for Part 723; RIN 3133-AE37

Dear Mr. Poliquin:

This letter represents the views and comments of Chocolate Bayou Community Federal Credit Union's (CBCFCU) views concerning the NCUA's Proposal on Member Business Lending. CBCFCU serves those living, working or worshipping in Brazoria County, Texas.

We certainly support the agencies efforts to provide regulatory relief for MBL so that we may better serve our members. We support the change from the current proscriptive approach to a more principled based methodology approach. However, we believe the agency should detail the minimum requirements that are acceptable for establishing a safe and sound member business lending program.

We especially agree with the elimination of prescriptive requirements necessitating waivers as this would provide much needed regulatory relief. The new definition of "commercial loan" helps differentiate loans that fall under the MBL cap from commercial loans that would initiate the safety and soundness provisions.

We are concerned over the newly imposed duties on the volunteer credit union boards, especially given there is no guidance by the agency on specifically what these requirements will be. Boards are already over taxed with many regulatory requirements and are as previously stated "volunteers" not professionals. We perceive where these new duties may well be construed as board members being required to become involved in the day to day operations of the credit in order to comply. The board's traditional role has always been to set policy and provide guidance and direction. This has served the credit union industry well. Does the agency really want untrained volunteers involved in the day to day operations? If this is the case we suspect, especially in smaller credit unions, boards will choose to forego a valued source of member service and income, and at best it will become increasingly difficult to find members willing to as board members.

Mailing Address: P.O. Box 1694 • Alvin, TX 77512-1694

1301 N. Hwy 35 Bypass, Alvin ■ 10618 Crossroads Plaza Dr., Pearland ■ Alvin & Manvel High Schools

Phone: 281/331-2253 ■ **Fax:** 281/331-2273 ■ **Audio Response:** 281/331-8000 ■ **OnLine Banking:** www.cbfcu.coop

CBCFCU supports the exemption for credit unions that hold a de minimis number and amount of “commercial loans”, but why restricted it to credit unions with assets of \$250 million and less. Regardless of size, 15% of net worth is all relative. The larger the credit union, 15% equates to more money, but it is still 15% of net worth any way you look at it.

We also support the determination of the MBL cap as a multiple of net worth up to the amount necessary to be well capitalized.

We encourage NCUA to provide consistent training and guidance to examiners. Absent any MBL lending, we often see today a divergence of opinions from examiner to examiner in many exam areas. Without consistent training and guidance for examiners we foresee where examinations will become problematic from year to year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gary Davis', with a long horizontal line extending to the right.

Gary Davis, CCUE
Pres/CEO