

**From:** [Carl Ratcliff](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Comments on Proposed Rule: Revisions to Member Business Lending Regulations"  
**Date:** Monday, August 31, 2015 11:50:14 AM

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August 31, 2015

National Credit Union Administration  
Attention: Mr. Gerald Poliquin, Secretary of the Board  
1775 Duke Street  
Alexandria, VA 22314-3428

RE: Comments – Proposed Rule: Member Business Loans (MBL)

Dear Mr. Poliquin:

I am writing to comment on the National Credit Union Administration's (NCUA) proposed rule amending Part 723. Recognizing that legislative changes to the Federal Credit Union Act are ultimately needed to raise the MBL cap, NCUA's proposal constitutes another timely initiative to provide meaningful regulatory relief to credit unions.

Credit Unions have advocated for flexibility in business lending programs so they are more competitive in the market place. ABNB is a strong credit union with proven underwriting standards. ABNB has been engaged in the Member Business Lending for more than ten years. Our portfolio focuses on smaller commercial businesses / properties and multi-family buildings. Our losses on business loans have been negligible thanks to sound underwriting and the extensive lending expertise of our staff.

Unwarranted limits on lending and the time consuming waiver requirements often put credit unions at a competitive disadvantage with other financial institutions. As such, I appreciate and support the elimination of the waiver process.

An additional improvement to provide more competitive flexibility would be lifting of the prohibition on prepayment penalties for member business loans. In the commercial lending world cost recovery in the form of prepayment penalties is quite common. The ability for credit unions to assess prepayment penalties would provide the same flexibility to recover the high cost of originating business loans as other business lenders.

Thank you very much for the opportunity to comment on this proposed rule. Lifting waivers and allowing prepayment penalties on business loans will improve the ability of credit unions to serve their members. I urge NCUA to implement the proposed improvements to the MBL rule and to actively consider pursuing the needed legislative changes to the Federal Credit Union Act to raise the MBL Cap.

Sincerely,  
Carl Ratcliff  
President  
ABNB Federal Credit Union  
830 Greenbrier Circle  
Chjesapeake, VA 23320

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