

August 31, 2015

Sent via e-mail to regcomments@ncua.gov

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

Re: Comments on Proposed Member Business Loan Rule

Dear Mr. Poliquin,

Thank you for the opportunity to comment on the proposed revisions to the Member Business Loan ("MBL") regulation. Wings Financial Credit Union ("Wings Financial") is a federally insured credit union chartered under the laws of the State of Minnesota. Wings Financial was established in 1938 to serve the employees of Northwest Airlines. Wings Financial now serves those employed in the airline transportation industry and the residents of the Minneapolis-St. Paul and Seattle metro areas. Wings Financial has over 200,000 members and approximately \$4.1 billion in assets.

We commend the NCUA for the proposed changes to the MBL regulation and believe that the changes will enable Wings Financial to better serve our members. Wings Financial supports the evolution to a principles-based approach, but find that portions of the proposed revision, including the loan-to-value definition, the definition of construction/development loans, and the construction/development loan disbursement process continue to be highly prescriptive. We question whether such an approach in these areas is required and we request that the NCUA reconsider these areas to determine if another approach, such as addressing the areas in supervisory guidance, would better serve the Agency's goals. We also recommend review of the following areas:

LTV Limits. We believe that the language providing that the LTV is the lesser of the purchase price or market value for collateral held 12 months or less should be revised to apply only in those situations where the loan proceeds are being used to purchase the property. In all other situations, the LTV should be based on the market value of the property, whether lesser or greater than the purchase price. This would allow any improvements or other factors affecting the value of the property to be considered and would provide for a more accurate valuation of the collateral.

Examinations and Supervisory Guidance. We anticipate that the supervisory guidance provided by the NCUA to its examination staff will be fairly prescriptive and will make clear the expectations of the new operating parameters, for both examination staff and credit unions. The NCUA must provide consistent training and guidance to the examiners as part of the implementation of this rule as it will require more thorough examination of loans and policies by examiners. To allow credit unions to prepare for the expectations and requirements, we request that the NCUA release the supervisory guidance for public review and comment.

Implementation Period. Wings Financial supports the early implementation of the following revisions to the MBL rule, as we believe proposed rule is clear and can be easily integrated into credit union policies and procedures:

Personal Guarantees – The removal of requiring a waiver from the NCUA for personal guarantees is one of the most important opportunities for credit unions. The elimination of the waiver will allow credit unions to compete with other lenders and to better serve businesses within their communities.

Credit Risk Rating System – Most credit unions already utilize this to manage/monitor risk in their business portfolio. It would be relatively easy for credit unions to comply with this guideline if they didn't already have this system in place.

Construction Loan Soft Costs – The regulatory definition provides sufficient clarity that can easily be implemented by credit unions.

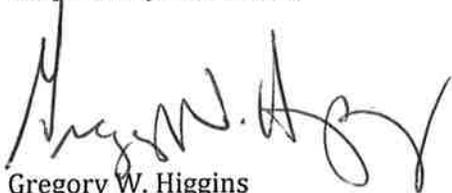
Unsecured Lending – The regulatory definition provides sufficient clarity that can easily be implemented by credit unions.

Loans to One Borrower Limit – The regulatory definition provides sufficient clarity that can easily be implemented by credit unions. The ability to exceed the limit if borrowings are secured by cash or marketable securities is also easy to implement.

Procedures for examination staff can be easily developed for each of the foregoing areas as well.

Overall, Wings Financial supports the revisions the NCUA is making to amend the MBL regulation. Proposed changes, such as, the MBL cap calculation, the waiver requirement elimination, and the Commercial Loan definition are positive first steps and will enable credit unions to better serve the businesses of their communities. As described above, however, clarification is still needed in some key areas so that credit unions and examiners can consistently apply the principles envisioned by the NCUA. Thank you for your time and consideration.

Respectfully Submitted,



Gregory W. Higgins
SVP-CAO/General Counsel

cc: Marcia Armstrong Lewis, Chief Examiner, MN Department of Commerce
Minnesota Credit Union Network