

# PEOPLE'S UTAH BANCORP

August 27, 2015

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

Re: Comments on Advanced Notice of Proposed Rulemaking for Part 723

Dear Mr. Poliquin,

People's Utah Bancorp, parent company of two community banks in Utah—Bank of American Fork and Lewiston State Bank—appreciates the opportunity to submit the following comments on the proposed amendments to Part 723 governing member business loans. We hope you find our comments helpful.

Our banks have both been providing financial services to the people of Utah, including people of modest means, for over 100 years. We find ourselves at an increasingly unfair disadvantage to credit unions. Their government-sanctioned purpose today seems to be to convey wealth from the federal and state treasuries to individuals and businesses by means of tax subsidies, and to compete unfairly with banks and other for-profit financial-services providers.

We strongly object to any effort to increase commercial lending by credit unions. Commercial, for-profit ventures are not underserved by financial services companies and therefore they do not need or deserve financial services from tax-subsidized credit unions. The only group that may deserve such subsidies are low- and moderate-income individuals, whom banks are required to serve by the Community Reinvestment Act, and whom credit unions are not required by law to serve. It is ironic that you are not proposing to increase credit union lending to low- and moderate-income individuals.

Credit unions in Utah are out of control. The common-bond requirement in many cases has become so large and loose that essentially anyone can become a member. Other than the tax subsidy, there is no meaningful distinction between the largest Utah credit unions and banks.

We would like to offer financial services to our customers at government-subsidized rates, but of course we cannot. We would like to aggressively expand using government-subsidized capital, but of course we cannot. We would like to increase our business lending to our customers using tax-subsidized funding, but of course we cannot. We would like to have our names on major sporting arenas using a government-subsidized advertising budget, but of course we cannot.



We would love to have a prudential regulator who advocates for reducing our regulatory restrictions on the type of loans we can make, but of course we cannot.

Credit union business lending should be further restricted rather than further expanded.

Sincerely,

A handwritten signature in black ink that reads "Richard T. Beard". The signature is written in a cursive style.

Richard T. Beard, CEO

People's Utah Bancorp, Bank of American Fork, Lewiston State Bank