

August 31, 2015

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

RE: Comment Letter to the Proposed Amendments to NCUA's MBL Rule

Dear Mr. Poliquin,

As a member of Digital Federal Credit Union, I am writing to provide comments on the National Credit Union's Administration's (NCUA) recent proposal addressing the NCUA's rules for Member Business Lending (MBL) - Part 723. Overall I am very supportive of the proposed changes to part 723 as they will make the business lending process more efficient and will provide more flexibility in serving the borrowing needs of credit union business members.

There are several aspects of the proposed regulation that are very positive. Specifically, the elimination of the current waiver process is a welcome change. The current requirements seem overly complex and burdensome and do not allow credit unions to compete with other financial institutions not subject to these requirements. The amendments for C&D requirements are also very positive and bring them more in line with industry standards.

One proposed requirement that should be reviewed is the LTV requirement under 723.2. The current definition says "...lesser of purchase price or market value for collateral held 12 months or less...". The 12 month time frame should be eliminated. In some situations market value can change in a short period of time and this definition would not take into account improvements that have subsequently been made. The definition should be expanded to cover purchase price plus cost of improvements.

Credit unions such as Digital Federal have proven themselves as prudent business lenders. The proposed changes are definitely a step in the right direction that will provide credit unions the opportunity to fully serve their membership base, including the small business community.

The NCUA should be applauded for taking steps to ease the regulatory burden for credit unions lending to small businesses. I appreciate the opportunity to comment on the proposed regulation and considering my views.

Sincerely,


David DeWitt
Digital Federal Credit Union Member