

August 31, 2015

National Credit Union Administration
1775 Duke St.
Board Secretary
Alexandria, VA 22314

RE: Comments on Proposed Rulemaking for Part 723; RIN 3133-AE37

Dear Gerard Poliquin,

The Ohio University Credit Union appreciates the opportunity to comment on NCUA's Notice of Proposal Rulemaking for 12 CFR Part 723 regarding proposed changes to the Member Business Loan Regulations. We commend the NCUA Board on considering regulations that will enable credit unions to better serve their business members' needs.

As of June 30, 2015, our assets were \$308 million and our loan portfolio totaled \$211 million. Our business loans consist of \$31 million, of which \$10 million is non-member participation loans. The Ohio University Credit Union will quickly be reaching our MBL cap of \$37 million. The Ohio University Credit Union supports non-member participation loans being exempt from the MBL statutory limits. Approval of this proposal will enable our Credit Union to continue investing in business lending.

The Ohio University Credit Union has been involved in business lending in excess of 10 years, and has built the infrastructure for safe and sound practices. We support the proposed modification to the experience and expertise requirements for personnel involved in business lending; delineating the qualifications of the Board of Directors, senior executive staff, and lending personnel. The proposal appropriately addresses the issues of credit unions lending in areas in which they have no expertise.

With regards to the elimination of waivers, we have several thoughts:

- We support the waiver of the personal guarantee, providing guidance is given to credit unions for when it is appropriate to close a business loan without it

- We believe that the current aggregate construction & development loan limit of 15% of net worth is sufficient

- We believe that the current minimum borrower's equity of 25% for construction & development loans is prudent

- We support keeping the maximum unsecured MBL to one member or group of associates members at \$100,000, as we will believe this is a reasonable amount given the associated risk

- We support keeping the maximum aggregate net MBL to one member or group of associated members at 15% of net worth

The Ohio University Credit Union understands that with a change in regulatory approach, there will be a change in supervisory expectations to ensure the effectiveness of risk management. We feel that the above outlined items will achieve the objective of providing continued service to business members, while also managing risk to the credit union industry.

Thank you for the opportunity to offer comment on the proposed amendments.

Sincerely,

Danita Sharp
VP-Loan Services
Ohio University CU

cc: CUNA, CCUL