



August 24, 2015

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

I am writing on behalf of United Federal Credit Union (UFCU), which serves corporate and individual members in Michigan, Indiana, Ohio, Arkansas, North Carolina and Nevada. We appreciate the opportunity to comment on the National Credit Union Administration's (NCUA) proposed amendments to the Member Business Lending (MBL) rules of the National Credit Union Administration in Section 723. While legislative changes to the Federal Credit Union Act will be needed to resolve issues with the lending cap, the current NCUA proposal is a significant advancement in the development of member business lending rules.

UFCU supports the proposed switch from a prescriptive rule to a principle-based rule. We operate in geographically and economically diverse markets, so the switch to a principle-based rule would provide more flexibility in making local business loan decisions. The current "one-size-fits-all" approach does not support the diversity of our membership. In order to remain safe, sound and financially strong, UFCU must be able to build net worth through earnings, of which business loan income is a crucial ingredient.

The proposal to replace the waiver process with board-approved policy and guidelines would improve our lending program and have a favorable impact on business members looking to secure a loan. Under the current business lending regulations, UFCU is often forced to request a waiver in order to service our business members. Requesting a waiver typically requires about 45 days for approval, and as a result some borrowers choose to take the loan request to other lenders or occasionally just withdraw their requests. When fiscally strong companies solicit bids for banking services, in some cases the required personal guarantee places UFCU in a non-competitive position. Likewise, the limits on unsecured loans prohibit UFCU from extending credit of more than \$100,000 even when the strength of the borrower's credit and financials would support a higher limit.

The proposed amendment would require only minor changes to our existing lending guidelines and policies. In fact, the change would benefit our underwriters who would be better able to evaluate risk factors specific to our markets. We also expect new policies and guidelines would provide clarity to NCUA examiners who monitor and evaluate commercial loans against the new processes.

Thank you very much for the opportunity to comment on this proposed regulation. I applaud the agency's willingness to amend Part 723 to provide much-needed relief for the credit union industry. While I strongly support this proposal, I encourage the agency to address the recommendations outlined above, as I believe these suggestions will achieve true regulatory relief for credit unions. If I can be a source of any further information on this comment letter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Gary Easterling". The signature is fluid and cursive, with the first name "Gary" being more prominent than the last name "Easterling".

Gary Easterling  
President/CEO  
United Federal Credit Union