



August 31, 2015

sent via email to [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Mr. Gerard S. Poliquin, Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Va 22414-3428

Re: Comments on proposed rulemaking  
For Part 723, RIN 3133-AE37  
Member Business Loans

Dear Mr. Poliquin,

I am Ken Thomason, the Chief Lending Officer with Texoma Community Credit Union in Wichita Falls, Texas, and I support Part 723 on Member Business Loans. I recognize this proposed rule as an attempt to help credit unions who are participating in Member Business Loans to be able to make more Member Business Loans.

We have made Member Business Loans since the mid 2000's officially as Member Business Loans. We were making them before then on a very small scale. Primarily, we made auto loans and signature loans to the smaller "mom and pop" type members. In the mid 2000's we began making more automobile fleet type loans, lines of credit loans, commercial real estate loans and single family investment property loans. The existing rules in place are complicated and have at times been unsuccessful attempts at dodging land mines for one rule or another only to be written up by the examiners for missing some rule or interpretation of the rule. Sir, please keep in mind, we want to make Member Business Loans. Our members want us to make Member Business Loans. Our members do not want to pay higher fees and rates at the banks. They want to do business lending with the same folks who they do their consumer lending with. Our members love us.

We were told to stop doing business lending in 2008 by NCUA. We lost loan business because of this. It is difficult to start and stop and start again any type of business. We recently gained approval from our board, which is highly educated in the welfare of Texoma Community Credit Union, to restart business lending. Our area is primed for the type of business lending our members and our community needs. We are well capitalized at just over 10%. Our losses in Member Business Lending amount to ZERO. We have approximately \$1.5 million in portfolio and are anxious to increase business correctly. We did not grow Member Business Lending quickly when we were lending. Ours is a steady and calculated process. We hired a man to do our Member Business Services and Lending. We have signed an agreement to use Credit Union Business Group (CUBG, a CUSO of Catalyst Corporate Federal Credit Union), as our partner in those loans we do not have the expertise to do.

I recognize that once again bankers are on the attack and they oppose ANY proposed rulemaking that would allow credit unions to increase their business lending attempts. If bankers were taking care of the

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loans we take care of that would be one thing. But they do not. Otherwise, members-and nonmembers-would not be asking credit unions for business loans. Members ask credit unions for Member Business Loans because members do not like the way they are treated by the banks. Alternatively, members are told, in essence, their loan is not big enough (not enough profit in the loan for the bank). Credit unions serve those the banks leave unserved. Small business accounts for a very high percentage of the market and they need services that credit unions provide. For many businesses, if they cannot get servicing, they do not survive. Credit union philosophies help these businesses survive with flexibility, rate and fee support and relationships.

Texoma Community Credit Union supporting this proposed rule helps businesses and potential businesses in Wichita Falls, Texas and our surrounding 11 counties of North Texas. To not have proposed legislation that makes it easier for credit unions to make business loans restricts us to our 12.25% cap. Once we hit this limit we have to turn off the lending. If this proposed rule indeed becomes the rule of the land, Texoma Community Credit Union, and the many credit unions, can write policies that better serve those businesses we would make loans to. We know the folks in our area and what their needs may be better than the folks making a cookie cutter template of rules for all credit unions to abide by. The proposed changes gives us flexibility in our lending. We know how to make Member Business Loans. Those loans we don't know how to make, Credit Union Business Group does know how to make.

As for the examiners who would interpret (scrutinize/"examine") our policies, I trust they would indeed receive enough instruction and training to allow those credit unions that are good at lending the flexibility to make the loans they see as fitting their credit union philosophy. Some credit unions need the examiner scrutiny as they may not have the experience to make solid business lending policies and decisions. Those credit unions who do make good policies and do make good lending decisions do need this flexibility. This rule appears to help credit unions do exactly that. Thank you sir.

Sincerely,



Ken Thomason,  
Chief Lending Officer