

August 31, 2015

Mr. Gerard Poliquin
Secretary of the NCUA Board
1775 Duke Street
Alexandria, VA 22314-3428

Re: Comments on Proposed Rule: Member Business Loans; Commercial Lending

Mr. Poliquin:

It has been many years since we have seen any significant changes to NCUA's MBL regulation. It is our belief that much has transpired since the regulation was originally written. There was a point in time when credit unions were new to business lending and may have needed very specific guidance in order to make sure they didn't get in "over their heads" with business lending. That point in time has long since passed. Almost without exception, those we hire to work in the business lending area come to us with a significant amount of commercial lending and banking experience.

It seems inconsistent to have rules that do not match logically and directly with safety and soundness. There are many credit unions that have been making member business loans for a significant amount of time. NCUA examines these credit unions regularly and is capable of determining if the appropriate expertise is in place. If it is evidenced by proper controls and acceptable delinquency, then they should be allowed to perform this business without making it cumbersome. If the appropriate controls are lacking, NCUA can impose restrictions to help that particular credit union manage the process properly. Please do not penalize all for the concerns of a few.

It only makes sense to be more concerned with safety and soundness rather than rules that have been in place for a long time. An example relates to personal guarantees. While our credit union believes that personal guarantees almost always make sense, why not allow the situation and the merits of the particular loan determine if there are enough mitigating factors to forego a personal guarantee? The same principle applies to LTV requirements, unsecured limits, and so forth.

If waivers (especially participation waivers) are being granted on a regular basis, why keep them in place? It only makes it time consuming to request something that should be allowed for those who are not abusing their right to make business loans.



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Finally, credit unions are a great source of providing capital to help small businesses. When competition between business lenders is fair and equitable, the result will be more viable options for borrowers and it will also provide them with greater access to capital. Small businesses are the lifeblood of our economy. Let's do everything in our power to help those small businesses succeed and obtain the funding to sustain their businesses.

Thank you for the opportunity to comment.

Sincerely,

Sterling Nielsen
President/CEO