

From: [Sharon Weinberg](#)
To: [Regulatory Comments](#)
Subject: Comments on Proposed Rulemaking for Part 723
Date: Monday, August 31, 2015 7:00:06 PM

Dear Secretary of the Board Poliquin,

TwinStar Credit Union is pleased to comment on NCUA's Notice of Proposed Rulemaking for 12 CFR Part 723 regarding potential changes to the Member Business Loan (MBL) regulations.

TwinStar was founded in 1938 and we currently have over \$1 billion in assets. We appreciate the Board proposing these changes to the regulation and believe it will assist credit unions in accommodating their expanding business members' needs. TwinStar has invested in experienced personnel and infrastructure to position ourselves for growth, and we believe the change from a prescriptive regulation to a principles-based approach will allow us to tailor our MBL program to align with our risk tolerances and strategic goals.

TwinStar is located in the State of Washington which is one of the seven states that have been granted state supervisory authority over MBLs. We strongly encourage the Board to maintain the previously adopted state rules and maintain the ability to update or submit a new state rule to the NCUA Board for approval (option C). The state regulators are familiar with the intricacies of each credit union within their state and as a result, may provide more relative guidance. We specifically ask the Board not to make changes to 741.203.

We encourage an 18 month implementation of the elimination of the prescriptive 80% loan to value ratio and personal guarantee requirement. These changes will allow TwinStar to compete on a level playing field with other financial institutions. TwinStar has lost several sound loan opportunities to medical professionals because of these prescriptive rules and appreciate the Board's insight.

We are concerned that the shift to a principles-based approach will require a vast amount of judgment by the field examiners. This approach will cause examiners to rely upon subsequent "Supervisory Guidance" to interpret the Final Rule and carry out MBL exams. In order for credit unions to interpret the guidance in the same way the examiners will, it is imperative that we fully understand the areas of emphasis and expectations the examiners will be focusing on in their work. In an effort to ensure consistency in all credit union examinations, we encourage NCUA to continue to develop commercial lending expertise in examiners.

We thank you for your efforts to modernize the regulatory requirements that govern credit union commercial lending activities and we appreciate the opportunity to provide input.

Sharon Weinberg
Chief Credit Officer
TwinStar Credit Union

Sincerely,

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