



October 9, 2018

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314
Via email: regcomments@ncua.gov

**Re: Proposed Rule 701, Loans to Members and Lines of Credit to Members
(RIN 3133-AE88)**

Dear Mr. Poliquin:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the proposed rule relating to Part 701, Loans to Members and Lines of Credit to Members.

HCUA supports NCUA's efforts to organize and streamline regulations that apply to credit unions. HCUA also appreciates the opportunity to address rule transparency as it relates to the credit union industry.

With the recent passage of S. 2155, Congress eliminated the one to four non-owner occupied multifamily real estate loans from counting against a credit union's member business lending (MBL) cap. However, the current maturity limits are still applicable for these loans. An extension of the maturity limit for these loans is good policy since credit unions are subject to both maturity and lending limit caps (while banks are not). HCUA supports efforts to remedy this disparity.

Credit unions often provide loan participation through government-sponsored entities, including the Small Business Administration (SBA) 7a loans, where loan dollars funded are backed by the U.S. government. HCUA does not believe that these loans should be counted against the credit union's MBL cap. The Regional Director

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currently has the discretionary authority to exempt credit unions from the cap, however this often creates inconsistencies in different geographic areas.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive style with a large initial 'B' and 'D'.

Brad Douglas
President/CEO