

From: Getz, Ken
To: [Regulatory Comments](#)
Subject: Comments on Proposed Rule part 722
Date: Monday, November 26, 2018 5:07:32 PM

NCUA Board,

I would like to lend my support to the proposed rule change 12 CFR Part 722. SAFE Credit Union has been supporting our membership by offering Member Business Loans/ Commercial Loans for over a decade. In support of our membership, SAFE takes a Community Lending approach where we are willing to support our business members even when their lending needs fall below a dollar level that is favored by larger regional/national lenders. We are proud to be one of the top SBA lenders in the Sacramento District and consistently rank as one of the top SBA lenders for all credit unions in California for # of loans due to our willingness to handle loans of all sizes. Relative to appraisals in SBA lending, credit unions are on a level playing field with bank and non-bank lenders due to common requirements set forth in the SBA SOP's.

My support for the proposed rule part 722 centers on SAFE's willingness to also offer conventional financing for our membership. When members use SAFE for conventional loans over \$250,000 and up to \$1,000,000 they appreciate our local decision making and personal service, but this comes at an added cost relative to the cost of ordering an appraisal. Keeping in mind SBA's rule around credit elsewhere, conventional real estate loans are by definition a lower risk than an SBA loan. In many cases, we see transactions that our counterparts in banking would consider making with a desktop style report rather than using a comprehensive appraisal from an MAI appraiser. The additional cost to the member comes in both dollars and time. Fully self-contained appraisals can take anywhere from 3-5 weeks with additional costs of up to \$3,000. The loans qualities that local bank lenders typically look for involve low LTV transactions with proven experience and repayment ability. I would like to see our members that we served initially in the SBA arena, that grow successfully over time, receive a better value on their commercial real estate projects to expand their operations. It is my opinion that this proposed rule change is an important step towards our mission of serving the business members in our community as well as the outlying rural areas that fall within our field of membership.

I appreciate your time and effort on this subject and you have my full support.

Sincerely,

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