

189

**RELIANT COMMUNITY FEDERAL CREDIT UNION**

**P.O. Box 40, 10 Benton Place**

**Sodus, New York 14551**

**(800) 724-9282**

**Fax (315) 483-9716**

AUG26'08 AM 8:26 BOARD

August 25, 2008

Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Re: Reliant Community Federal Credit Union Comments on Proposed Rule  
Part 723 -- RIN 3133-AD42

Dear Ms. Rupp,

Reliant Community Federal Credit Union welcomes the opportunity to comment on what ways Part 723 of NCUA's regulations should be amended to increase credit union flexibility and improve understanding of the existing member business loan regulatory framework.

We offer the following specific comments on selected aspects of the proposed regulations:

Loan-to-Value requirements

The current 80% LTV requirement for MBL's is too constraining when working with members with significant financial strength who are strong enough to qualify for 100% financing on certain types of loans (i.e. auto & equipment). The current requirement could put credit unions in an uncompetitive position and possibly lose strong deals to commercial banks that do not have this constraint. If a credit union meets the capitalization requirements to offer unsecured MBL's up to \$100,000 and they have significant internal business lending experience, it would make sense to allow these credit unions to make their own prudent decisions regarding LTV requirements.

Experience Requirement

We believe that having at least two years of business lending experience in the "type of lending the credit union is engaged in" either internally, CUSO or 3<sup>rd</sup> party is adequate.

190

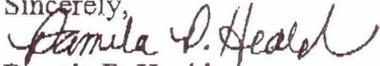
Waivers

Instead of requiring credit unions to apply for waivers, it seems feasible to allow credit unions that meet certain requirements, such as RegFlex standards, to be automatically granted waiver privileges.

Regulation – More or Less

Credit unions meeting RegFlex standards and having higher levels of experience would benefit from less regulation. These credit unions could benefit from an automatic process for obtaining waivers to certain regulatory requirement (such as LTV, personal guarantees, lending limits, etc.).

Sincerely,



Pamela P. Heald  
President & CEO