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Sent: Wednesday, August 13, 2008 11:45 AM

To: _Regulatory Comments

Subject: Ken Fergeson Comments on Advanced Notice of Proposed Rulemaking for Part 723

I am strongly opposed to any increase in business lending by credit unions. The very idea that a credit union should be making business loans is counter to whole concept of a credit union. While we can argue about the idea of tax exempt stature of credit unions, I don't think that there is any argument that justifies business loans.

In addition to the fundamental concept of credit unions making business loans, by history credit unions are not equipped to make and service business loans. Recent failures of Norlarco CU and Huron River Area CU highlight this inadequately. Also, the compounding of delinquent business loans is alarming.

Credit union regulators, while serving a great cheerleaders, have demonstrated a weak track record of evaluating and managing these types of risk. The lowering of equity requirements for construction and land development loans is counter intuitive. And the use of CUSO's in business lending reminds me of ENRON type of thinking. Such an expansion of risk to incompatible with NCUA's responsibility as the administrator of the NCUSIF and to the millions of customers of credit unions.

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