

Bob Siravo

President/Chief Executive Officer

August 25, 2008

VIA E-MAIL: regcomments@ncua.gov

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

Re: Comments on Advance Notice of Proposed Rulemaking for Part 723 – Member Business Lending

Dear Ms. Rupp:

Western Corporate Federal Credit Union (WesCorp) appreciates the opportunity to comment on the *Proposed Rule revising Part 723 – Member Business Lending*. WesCorp has a national field of membership and offers credit facilities to 1,065 credit unions in 44 states, but also to its Corporate CUSO members (as defined in Part 704) and its CUSO members (as defined in Part 712.) It should be noted that WesCorp's lending activity to CUSOs has grown in recent years, as its membership has opted to deliver more of their services through that structure. WesCorp expects this growth pattern to continue.

As a helpmate to its member credit unions (desiring that credit union loan portfolios be as varied and robust as they can be, while maintaining their safety and soundness) WesCorp has an indirect interest in the requirements of Part 723 - and will offer a few comments to the proposal within this letter from that perspective.

More significantly, WesCorp has a direct interest in Part 723, because the NCUA has chosen to interconnect it (by various cross-references) to the lending requirements that will apply when WesCorp lends to a Corporate CUSO or CUSO. This interconnection and cross-referencing has occasionally proven to be a compliance challenge for WesCorp in the past, sometimes leading to ambiguities and confusion as to interpretation, all as might be expected inasmuch as Part 723 is necessarily written (and modified, as here) primarily from the natural-person credit union perspective.

Mary Rupp, Secretary of the Board
National Credit Union Administration
August 25, 2008
Page 2

It is our overriding comment and suggestion that, for the sake of clarity and comprehension, this interconnection and cross-referencing be ended, and that all lending regulations applicable to corporates be written solely from the corporate perspective and expressed entirely within Part 704. We would suggest that this be done as soon as possible, not necessarily awaiting a general refresh of Part 704.

Apart from this principle remark, we make these specific comments:

1. WesCorp believes that managing the business loan underwriting process requires a person with more than two years experience. A commercial lender does not, in our view, really become seasoned until his/her fifth year in that field. Further, this experience requirement should take into consideration the various sub-types of business lending. For example, the fact that a loan officer has participated in many loans for the development of a residential subdivision does not necessarily afford that loan officer the necessary experience to underwrite a factoring loan for a going concern, secured by inventory and receivables.
2. WesCorp does not see the need for any special limits on business credit card lending. Existing aggregate and loans-to-one-borrower limits are adequate. If the NCUA were inclined to impose an absolute dollar limit, please consider that corporates may have business credit card products that are wholesale in nature, and thus different in kind than those typical at natural person credit unions. (WesCorp Purchase One Card product is an example.)
3. WesCorp believes that the participation among multiple credit unions in business loans can be a very helpful balance sheet management tool, and should be encouraged in regulation. That being said, the regulations should continue to emphasize that each participant must *independently* underwrite the participated loan(s) and each should maintain a complete set of loan documents on file.

Regards,



Bob Siravo
President/CEO