

August 30, 2004

Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

VIA FACSIMILE (703) 518-6319

Re: Request for Comments on Proposed Rule 723, Member Business Loans

I am writing on behalf of the North Carolina Credit Union League and North Carolina's 138 credit unions. As an organization that serves as a regulatory advocate for credit unions, we appreciate the opportunity to provide comments to the National Credit Union Administration to evaluate when structuring the Member Business Loan Rule.

The North Carolina Credit Union League supports the ability of small business owners to choose their financial service providers. The proposed amendments to the Member Business Loan rule would enable credit unions to participate more fully in the business loan market by providing requirements that are more consistent with the Small Business Administration's requirements for its 7(a) loan program.

This proposal is a positive means of growth for credit unions and their small business members. We support NCUA's determination that the Small Business Loan program criteria are within the bounds of safety and soundness.

We appreciate NCUA's efforts to improve the ability of federally insured credit unions to serve their members. We look forward to the successful implementation of the proposed changes.

Respectfully submitted,

Kimberly Bohannon
AVP Regulatory and Compliance Services

C: John Radebaugh, President