



PRESS RELEASE

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Most Credit Unions Anticipate Minimal or No Policy Changes Under the Revised MBL Regulation

(Portland, OR – February 19, 2016) – A recent poll by CU Business Group found that more than half of credit unions anticipate making minor or no changes to their MBL policies when the proposed MBL revisions to NCUA Regulation 723 go into effect.

The MBL CUSO invited over 750 credit unions to participate in the poll which asked, *“When the rule is fully implemented, what level of policy/procedure changes do you anticipate your credit union will make?”*

One third of respondents said they anticipated changing only a select few key items in their policies. One in five said they did not anticipate making material policy changes at all. Conversely, 4% of credit unions said they anticipated making major changes, while 33% said they did not yet know what they would change.

The proposed revisions to NCUA Regulation 723 will give credit unions more latitude in setting their own MBL risk tolerances and credit parameters. The final rule was passed earlier this week by the NCUA Board.

“We applaud the new regulation allowing credit unions to set their own risk tolerances and credit practices. It’s interesting to see that even with fewer regulatory restrictions the majority of credit unions do not plan to drastically revise their business lending policies,” commented CUBG President/CEO Larry Middleman. “This shows that credit unions are focused on maintaining strong credit risk management parameters.”

The full MBL regulation will become effective on January 1, 2017. However, the elimination of the personal guarantee requirement will take effect 60 days after the new regulation is published in the Federal Register. CU Business Group estimates the personal guarantee change will take effect near the end of April 2016.

About CU Business Group

Established in 2002, CU Business Group, LLC, provides a wide array of business lending, deposit, and consulting services to credit unions nationwide. Based in Portland, Oregon, with offices in the West, Southwest and Eastern U.S., CU Business Group has a staff of 40 professionals and serves more than 500 credit unions in 46 states. For more information, visit www.cubg.org.

