

From: [Christopher Sikes](#)
To: [Regulatory Comments](#)
Subject: [Your name] Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond
Date: Friday, January 15, 2016 9:55:02 AM

Gerard Poliquin
National Credit Union Administration
Alexandria DC 22314

[Your name] Comments on Notice of Proposed Rulemaking Regarding Associational
Common Bond

Dear Gerard Poliquin:

Dear Mr. Poliquin:

As a US citizen, I am concerned about the impact of further expanding the credit union industry's potential field of membership through the proposed rule on Chartering and Field of Membership. The provisions of this proposal, when implemented all together, would provide federal credit unions with the opportunity to increase membership drastically, resulting in a broad expansion of the credit union industry's tax subsidy. I believe finalizing this proposal will place the credit union industry's tax exempt status in jeopardy.

- Banks are not tax exempt, but are for-profit businesses attempting to balance offering products and services to best serve customers while growing the business to offer more lines of credit and other economic capital to communities. Credit Unions, however, have government-allowed tax-exempt status while they attempt to provide generally the same types of products and services as banks. This is blatantly unfair. If the regulators and government truly cared about credit unions being for the benefit of a specific, select group of people with a common bond, then credit unions' membership requirements should be much stricter. As it stands now, I could join any number of credit unions through ridiculously loose membership requirements. Why not just let credit unions accept anybody who joins them as a Facebook friend? I do not think that this is what regulators and the government had in mind when they allowed credit unions to not pay taxes while still requiring banks to pay taxes.

- Congress deliberately instructed NCUA through the FCU Act to keep credit unions small and focused on providing services to specific groups that lack other access to financial services. The proposal would disregard this Congressional directive by modifying NCUA's process for assessing stand-alone feasibility of groups that seek to be added to the field of membership of an existing multiple common bond credit union by allowing a streamlined determination for groups with between 3,000 and 4,999 potential new members. When I hear TV and radio commercials that tell me I can join a credit union simply because I live or work in a general metropolitan area (Hampton Roads is the 12th largest population center in the USA), then clearly the intent of the "common bond" and or "lack of access to financial services" for credit union membership is lost.

This letter demonstrates that such a broad expansion of authorities as proposed greatly

undercuts Congressional-mandated limits on field of membership and will lead to a broad expansion of the credit union industry's tax subsidy—already valued at \$26.75 billion over the next 10 years. This abuse of regulatory authority has vast implications for both marketplace dynamics and the potential increase of tax subsidies at a time when governments are working with large budget deficits. It is clear that the NCUA Board has blatantly disregarded Congressional intent and is overstepping its regulatory reach.

In conclusion, it is clear to me that regulatory authorities and the government have already given an unfair advantage to credit unions by exempting them from taxes, regardless of any membership requirements. The proposed rule on Chartering and Field of Membership would further this unfair advantage. I urge you to oppose the proposed rule and stop the further cheating by credit unions and erosion of public trust in our financial regulators and government.

Sincerely,
Christopher Sikes
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Williamsburg, VA 23188