

**From:** [Justin Wagner](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Justin Wagner Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond  
**Date:** Monday, February 01, 2016 12:54:22 PM

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Dear Mr. Poliquin:

I am a banker and I am concerned about the ramifications of expanding the credit union industry's potential field of membership through the proposed rule on Chartering and Field of Membership. These provisions, when combined, would allow federal credit unions to dramatically increase their membership and result in further expansion of the credit union industry's tax subsidy.

Unfair competition from the credit union industry impacts my business and service to my customers and our community. We are often faced with well below market interest rates on consumer loans and recently lost a \$4.5 Million dollar commercial loan to credit union that did a 10 year fixed rate at substantially below market rates. Banks are for-profit businesses that must balance the offering of products and services that best serve customers while growing the business to offer more lines of credit and other economic capital to communities.

Congress has allowed credit unions to retain historic advantages while imposing limitations that include the size of the institutions and scope of activities. A legitimate bond is necessary to ensure community credit unions remain local in order to carry out their public mission. The intent of Congress was clear to keep the community local and well-defined. This proposal expands those limits dramatically and allows, for example, a congressional district to serve as a "well-defined community". It also increases the rural district population limit by four times the current threshold to one million. I have belonged to a credit union since I was 6 years old, it was a small credit union with a tight common thread, today that credit union has increased its size 30 fold and essentially anyone can join. Not only has it lost its common thread it has amassed so many deposits that they cant possibly loan them out so they have dropped rates to extremely low levels in an attempt to make something.

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.

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.

Sincerely,

Justin Wagner

Justin Wagner  
6245 E farm Rd 194  
Rogersville, MO 65742