

From: [Randall A Seymour](#)
To: [Regulatory Comments](#)
Subject: [Your name] Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond
Date: Thursday, January 14, 2016 3:06:26 PM

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 banker, 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 without first leveling the playing field. 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. We Community Bankers have no issue with completion as long as the field is level and everybody plays by the same rules.

- My bank serves customers and the surrounding community, and competition from the credit union industry has had little impact our business up to this point due primarily to the lack of the local credit unions sophistication and their failure to engage with the very communities they are charged with serving. Even though we banks are at a disadvantage to the credit unions as a non tax exempt industry we continue to prosper by offering products and services that best serve our customers and communities we server while growing the business to offer more lines of credit and other economic capital for our communities. This cannot be said about a single credit union in our marketplace and yet you are considering allowing them to broaden their membership.
- Congress has kept in place advantages for the credit union industry for way to long now and those advantages originally come with limitations, including the size of the institutions and scope of activities. Congress understood that if community credit unions were to fulfill their public mission, there needed to be a legitimate shared bond among members, even amending the FCU Act in 1998, to include the term "local." Combined with the terms "well-defined," it is clear Congress intended to impose finite and narrow limits on the area that a community credit union may serve. This proposal goes way beyond any reasonable definition of local and well-defined. The proposed rule intends to treat a Combined Statistical Area and a Congressional District as a well-defined local community. Yet most credit unions do neither support or reinvest their income in the very local communities they claim to support.
- 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. How can this new proposal possibly meet the intent of Congress original definition

and scope for credit unions. 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.

Sincerely,
Randall A Seymour
2500 S. I-75 Business Loop
Grayling, MI 49738