From: Jill Macmillan
To: _Regulatory Comments
Subject: Jill Macmillan - Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond
Date: Friday, February 05, 2016 2:36:26 PM
Attachments: image001.png

Dear Mr. Poliquin:

As a banker at Prime Meridian Bank, 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.

My bank serves customers and the surrounding community of Leon and Wakulla County, Florida, and unfair competition from the credit union industry impacts my business. Banks are not tax exempt, but are for-profit businesses attempting to balance offering products and services to best serve our clients while growing the business to offer more lines of credit and other economic capital to communities.

- Congress has kept in place advantages for the credit union industry, but those advantages 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 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. In addition, the proposal expands the rural district population limit by four times the current threshold to one million.

- 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

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.

Thank you,

Jill S. Macmillan
Executive Administrator

PRIME MERIDIAN BANK™

1897 Capital Circle NE, Tallahassee, FL 32308 | P.O. Box 13629, Tallahassee, FL 32317
Direct 850.907.2340 | Mobile 850.545.6108 | Main 850.907.2301 | Fax 850.907.2392
jmacmillan@primemeridianbank.com | www.TryMyBank.com

Click here to learn about our Bauer 5-Star Rating

DISCLAIMER: This e-mail transmission and all attachments and the contents thereof are confidential, are intended only for the use of the named recipient. If the reader of this transmission is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of any part of this transmission, including the attachments, is strictly prohibited. If you have received this transmission in error, please immediately notify us by e-mail or telephone, and destroy all copies (both paper and electronic) of this transmission and the attachments. This communication may reflect the originator's personal view and opinion, which do not necessarily reflect those of Prime Meridian Bank.