

From: [Sandra Werner](#)
To: [Regulatory Comments](#)
Subject: Sandra Werner Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond
Date: Friday, February 05, 2016 1:22:22 PM

Gerard Poliquin
National Credit Union Administration
Alexandria DC 22314

Sandra Werner Comments on Notice of Proposed Rulemaking Regarding Associational
Common Bond

Dear Gerard Poliquin:

Dear Mr. Poliquin:

Once again, I feel community banks are under attack and not allowed to compete on a level playing field. 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, 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 customers while growing the business to offer more lines of credit and other economic capital to communities. I am not able to offer the same rates to my consumer borrowers because my bank has to upcharge to cover taxes due, I cannot pay my consumers the same rate on savings accounts because I have to discount to cover taxes due.
- 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. My bank is located in rural Oklahoma, one million population is like half of the entire State.
- 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.

My bank has faithfully and successfully served our trade territory since 1901, before Oklahoma was even a State. We're involved in the communities, we believe in this area and reinvest locally to help the local economy. 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. This abuse of regulatory authority has vast implications for both marketplace dynamics and the potential increase of tax subsidies. Please don't allow disregard of Congressional intent and the overstepping of regulatory reach to occur.

I thank you in advance for your attention to this matter. It is my hope that our leaders still believe there is a place for community banks in our great country.

Sincerely,
Sandra Werner
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