



February 3, 2016

Mr. Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428
regcomments@ncua.gov

Re: Proposed Rulemaking Regarding Associational Common Bond; RIN 3133-AE31

Dear Mr. Poliquin,

The Stephenson National Bank and Trust is a \$470 million dollar community institution in Marinette, Wisconsin. The bank has been serving the needs of our local community for 140 years. We have a robust commercial banking department. I appreciate the opportunity to comment on the National Credit Union Administration's (NCUA's) proposal to revise its Chartering and Field of Membership Manual.

As a community banker with The Stephenson National Bank and Trust, I am gravely concerned over NCUA's use of its rulemaking authority in an attempt to: (1) expand the definition of community; (2) provide additional methods of membership for multiple common bond credit unions; and (3) redefine members' proximity to multiple common bond credit unions beyond what I believe are limits in both size and scope specifically imposed by Congress under both the Credit Union Membership Access Act (CUMAA) and the Federal Credit Union Act (FCU Act), in exchange for credit unions' tax exempt status. I strongly oppose any attempt that allows credit unions the ability to drastically expand membership while allowing them to remain tax-exempt.

NCUA, as regulator, must examine credit union practices against the requirements established by Congress—not use rulemaking as a means to circumvent the plain language of CUMAA or the FCU Act.

Under the FCU Act, as amended in 1998, Congress intentionally included the term "local" as a means of limiting the geographic scope of community chartered credit unions. I believe the term, combined with the term "well-defined", clearly demonstrates that Congress intended to impose narrow limits on the area a community credit union may serve. NCUA's proposal, however, would treat a Combined Statistical Area and a Congressional District as a well-defined local community. Additionally, the proposal would expand the rural district population limit by four times the current threshold to one million. I assert NCUA's proposal is contrary to Congressional intention on community credit union charters as it goes beyond any reasonable definition of local.

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common bond credit union by allowing a streamlined determination for groups between 3,000 and 4,999 potential new members. The proposal once again is in direct conflict with the FCU Act which has established a 3,000 threshold for the determination of stand-alone feasibility of groups.

Conclusion

In exchange for tax-exempt status and other advantages, Congress limited the size and scope of activities for credit unions. I strongly oppose NCUA's use of rulemaking to expand membership beyond the limits established by Congress under both CUMAA and the FCU Act. I strongly oppose any attempt that allows credit unions the ability to drastically expand membership while allowing them to remain tax-exempt.

I also believe the proposal is not the type of rulemaking an independent, supervisory agency such as NCUA should engage in, as it flies in the face of an agency's duties to examine credit union practices against the requirements established by Congress—including chartering and field of membership rules. For these reasons, NCUA must withdraw its proposal.

Once again, I appreciate the opportunity to comment on NCUA's proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Peterson". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Daniel J. Peterson
President/CEO

The Stephenson National Bank and Trust