

From: [Shawn Martinez](#)
To: [Regulatory Comments](#)
Subject: Thoughts on Proposed Rulemaking Regarding Associational Common Bond
Date: Thursday, January 21, 2016 4:13:57 PM

Shawn Martinez
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January 21, 2016

Dear Gerard Poliquin,

Dear Mr. Poliquin:

I am a banker at a small, community 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 current credit union situation negates billions of tax dollars from being infused into the tax system. 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.

- 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. The credit unions compete with banks, but do so with an unfair advantage by not having to pay taxes. They were started for a good purpose, but have expanded to be a bank and therefore should be taxed as such as well!
- 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. The local credit union in our area was originally started to allow the armed forces access to a credit union. It has now expanded its membership qualifications to include ANYONE who lives in the county that the CU is based in. How is that a membership or a specific group??

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.

I urge you to consider this letter and stop expanding the credit unions authorities as it undermines a community bank's ability to serve our customers and compete on a level playing field! Imagine if your next opponent was able to earn income that was non-taxable and therefore was able to spend 30-40% on his campaign because he was not obligated to pay income taxes. Maybe a poor comparison, but just trying to reiterate the impact credit unions have on the main street, community banks!

Thank you for listening!

Sincerely,
Shawn Martinez

