



314 4th Street, Logansport, IN 46947 574-722-6261
300 Mall Road, Logansport, IN 46947 574-722-3826
1260 S. Washington, Delphi, IN 46923 765-564-3000
519 E. Markland Ave., Kokomo, IN 46901 765-457-1161
3920 McCarty Lane, Lafayette, IN 47905 765-250-3916
www.secfedbank.com

February 1, 2016

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

Re: NCUA Proposed Rule on Chartering and Field of Membership

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**. 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.

Security Federal was chartered as a mutual federal savings association in 1934. At \$220 million in assets, we have grown by remaining true to our charter and operating under the guidelines of our federal regulator the Office of the Comptroller of the Currency. In the last two years we have invested over \$5 million in our market area. This investment created jobs, helped businesses expand and prosper and provided a service to the community.

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.

Beacon Credit Union offers the same products as Security Federal, including Ag Loans. To become a member of Beacon Credit Union you are required to live or work in one of 41 counties in Indiana. How is that exclusive?

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



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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.

Sincerely,

Annette Russell
President and CEO

Cc: Senator Dan Coats
Senator Joe Donnelly
Representative Susan Brooks
Representative Luke Messer
Representative Todd Rokita
Representative Marlin Stutzman