



February 8, 2016

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

Re: National Credit Union Administration; Chartering and Field of Membership Manual; 12 CFR Part 701; Federal Register Vol 80, No. 237, 76748, December 10, 2015

Dear Mr. Poliquin:

The NCUA has requested comments on a proposal that would extensively amend the chartering and field of membership requirements governing federal credit unions. The Texas Bankers Association strongly opposes this proposal. It deserves to be withdrawn.

Founded in 1885, the Texas Bankers Association represents the approximately 500 banks and thrifts in our state. All of our members pay federal income taxes and have to compete with the over 450 credit unions in Texas. Thirteen Texas credit unions have over \$1 billion in assets and already use aggressive practices to recruit members. The NCUA proposal would undermine the ability of our taxpaying members to serve their communities because it would lead to increased competition from government subsidized and federally insured credit unions.

Specifically, the NCUA proposal for community charters goes well beyond any reasonable interpretation of “local” and “well defined.” Further, the rural definition lacks interaction, common interests and rurality. Our several hundred rural banks would face more competitive pressures. Finally, the NCUA’s expansion of the multiple common bond charter is contrary to the plain language of the statute.

What is most concerning to Texas bankers is that the NCUA proposal does not address the great competitive harm that would result from this major rule.

If the NCUA Board believes that the field of membership rules need to be changed to this degree, it should approach Congress and ask that the FCU Act be amended.

Sincerely,

J. Eric T. Sandberg, Jr.  
President and CEO  
Texas Bankers Association