

**From:** [Julieann M Thurlow](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Julieann Thurlow, President, Reading Cooperative Bank: Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond  
**Date:** Sunday, February 07, 2016 4:07:17 PM

---

Gerard Poliquin  
National Credit Union Administration  
Alexandria DC 22314

Julieann Thurlow, President, Reading Cooperative Bank: Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond

Dear Gerard Poliquin:

Reading Cooperative Bank is a 7 branch mutual cooperative bank located north of Boston, MA.

Dear Mr. Poliquin:

As a banker, I am very troubled by the proposed expansion of the credit union industry's 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. A credit union down the street routinely prices its loans .25% below community banks and their CD's are priced as much as 1.00% higher than we can offer profitably. 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.

- 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. Recently a local credit union that served a single county has just been approved to extend its field of membership to the entire state. We are a mutual bank; with proposed expansions there will be no difference between our charters and governance except the taxes that mutual banks pay.

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.

Digital Federal Credit Union (DCU) in our state is larger than all of the mutual banks in the market. This is not focused on providing banking services groups that lack access. They are a bank and a big one at that.

The proposed 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 the banking industry and for tax revenues and blatantly disregards Congressional intent by overstepping regulatory reach.

Sincerely,  
Julieann M Thurlow  
180 Haven St  
Reading, MA 01867