

From: [Joelene Weiss](#)
To: [Regulatory Comments](#)
Subject: Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond
Date: Wednesday, January 27, 2016 10:14:09 AM

Joelene Weiss
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January 27, 2016

Dear Gerard Poliquin,

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.

- My bank serves customers and the surrounding community, and unfair competition from the credit union industry impacts my business. The many large credit unions in our market offer very low car loan rates and mortgage rates to their members. 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. The field of membership expansion will not only assist the large credit unions in offering bank products infringing on the banks in the areas that they both serve but it will also hurt the small credit unions that service a limited field of membership. The large credit unions are pulling members away from the original small credit unions while claiming to not be the same a bank. Those days are gone. The large credit unions that offer membership throughout the U S just because you know someone who belonged to their supposed field of membership guidelines. Example - My uncle was in the Navy, even though I never met him, I still qualify for membership.
- 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. In the Texas market there are a number of large credit unions that have expanded significantly. Randolph Brooks FCU originally only allowed people who were stationed at Randolph Air Force Base and Brooks Air Force Base. Now it has branches throughout the state. Their field of membership is not just in the San Antonio market anymore.

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 have worked in the Credit Union industry, for the small credit unions. Even the small credit unions are unhappy with the large/huge Credit Unions. They cannot compete with rates and products in addition to having a limited field of membership, nor do they have the staff and capital to expand their field of membership. It made me angry that Federal Credit Unions do even pay sales tax for their purchase, that impacts every state that needs those tax dollars to serve the people of the state.

Like many other areas of the Financial Services industry that have changed over time, it is time that Credit Unions now admit they are a bank, with the same products and services. Start paying their fair share to be in the Financial Services business. If they want to be a bank then they need to held to the same standards.

Sincerely,
Joelene Weiss