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FEB05'16 PM 2:20 BOARD

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

Re: Comments on Proposed Revisions to the NCUA Chartering and Field of Membership Manual, Part 701

Dear Mr. Poliquin:

I urge you to withdraw the proposal to revise the NCUA Chartering and Field of Membership Manual.

I am the owner and President of an independent community bank located in Springfield, MN. I am a third generation banker. Our bank serves a small rural community and the surrounding area. The bank was chartered in 1918 and has proudly served our local community for 98 years. About twelve years ago, a small state chartered credit union in a neighboring community flipped its charter to a federal credit union and expanded into Springfield and New Ulm. This credit union had previously had a very tight and strict common bond affiliated with the local Catholic Church. Upon switching charters, the credit union became very aggressive and dropped its common bond. You could now be a member if you lived or worked in one of five counties. The impact of these actions was noticed immediately. I was now competing with a tax exempt entity that walked like a bank, talked like a bank and acted like a bank in every sense. The liberal interpretation of the common bond is extremely frustrating.

Congress has set limitations for geographic fields of membership. The National Credit Union Act states that the NCUA may approve a geographic charter if the credit union will serve a "well defined, local community." In issuing this proposal, the NCUA completely ignores the word "local." Congress clearly intended the word "local" to be a limiting term. Otherwise, Congress would have only required that a geographic area be "well defined." A regulatory agency is supposed to implement statutory language, not ignore it. With this proposal, NCUA goes too far. The proposed rule is inconsistent with the plain language of the National Credit Union Act. These types of policy changes should come from Congress, not NCUA. I urge the NCUA to withdraw the proposed changes to the Field of Membership Manual.

Thank you for your consideration.

Sincerely,

Paul D. Pieschel, President
Farmers & Merchants State Bank Springfield

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