



January 26, 2016

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

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

Dear Mr. Poliquin:

I am writing to the National Credit Union Administration (NCUA) today to urge you to withdraw the proposal to revise the NCUA Chartering and Field of Membership Manual.

I work for Northview Bank, a \$325 million community bank with 12 offices across Northern Minnesota. We have been in some of our communities for over 100 years. We are now faced with direct competition from Members Coop Credit Union, a much larger and expanding credit union. They also merged with our local Lake State Credit Union last year. The growth and expansion of these credit unions continue to take away from bank's market share and our fully taxable incomes.

Congress has set the 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, the NCUA goes too far.

Credit unions receive extremely generous tax and regulatory advantages. In exchange for those advantages, credit unions have some limitations. The credit union industry does not like those limits, so it continually challenges them. They have asked Congress to give them more commercial lending authority. When Congress fails to give the credit unions this additional authority, the credit unions ask that the NCUA give them the additional authority. The NCUA then finds different ways to give the credit unions what they want, even though Congress has never authorized it. The credit unions want more expansive fields of membership. Congress has never given them this expanded authority. The NCUA

Askov
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Askov, MN 55704
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then proposes this rule, which is inconsistent with the plain language of the National Credit Union Act. These types of significant policy changes should come from Congress, not the NCUA.

Some credit unions have remained true to the original credit union model. They continue to have a tight common bond, and they continue to focus on serving the credit needs of individuals, and especially people of modest means. Other credit unions have become massive institutions serving huge geographic territories. By requiring that a geographic credit union serve a “well-defined, local community,” Congress clearly intended that the word “local” should serve as a limitation on credit unions. With this proposal, the NCUA is ignoring the plain language in the National Credit Union Act. A federal regulatory agency should know better.

The NCUA has been criticized for being a “cheerleader” for the credit union industry rather than a regulator. Actions like this proposal show why the NCUA has earned that reputation. This proposal is clearly about giving the credit unions what they want so that they can continue their rapid growth, rather than ensuring that the NCUA upholds the requirements of the FCU Act. I urge the NCUA to withdraw the proposed changes to the Field of Membership Manual.

Thank you for considering this comment letter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'William P. Loew', written in a cursive style.

William P. Loew, EVP
Northview Bank