The NATIONAL BANK of Waupun

Locally Owned Community Bank Established in 1905

February 1, 2016

VIA EMAIL

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

Re: Proposed Rulemaking Regarding Associational Common Bond; RIN 3133-AE31

Dear Mr. Poliquin,

The National Bank of Waupun is a $150 million community institution in Waupun, Wisconsin. We are both a locally owned and widely held bank that has diligently and effectively served our local customer base for more than 110 years. We provide consumer, commercial and agricultural loans. I appreciate the opportunity to comment on the National Credit Union Administration's (NCUA's) proposal to revise its Chartering and Field of Membership Manual.

As a community banker with The National Bank of Waupun I am gravely concerned over NCUA's use of its rulemaking authority in an attempt to: (1) expand the definition of community; (2) provide additional methods of membership for multiple common bond credit unions; and (3) redefine members' proximity to multiple common bond credit unions beyond what I believe are limits in both size and scope specifically imposed by Congress under both the Credit Union Membership Access Act (CUMAA) and the Federal Credit Union Act (FCU Act), in exchange for credit unions' tax exempt status. I strongly oppose any attempt that allows credit unions the ability to drastically expand membership while allowing them to remain tax-exempt.

NCUA, as regulator, must examine credit union practices against the requirements established by Congress—not use rulemaking as a means to circumvent the plain language of CUMAA or the FCU Act.

Under the FCU Act, as amended in 1998, Congress intentionally included the term "local" as a means of limiting the geographic scope of community chartered credit unions. I believe the term, combined with the term "well-defined", clearly demonstrates that Congress intended to impose narrow limits on the area a community credit union may serve. NCUA's proposal, however, would treat a Combined Statistical Area and a Congressional District as a well-defined local community. Additionally, the proposal would expand the rural district population limit by four times the current threshold to one million. I assert NCUA's proposal is contrary to Congressional intention on community credit union charters as it goes beyond any reasonable definition of local.

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Additionally, the FCU Act states, "[i]n general, the Board shall encourage the formation of separately chartered credit unions instead of approving an application to include an additional group within the field of membership of an existing credit union whenever practicable and consistent with reasonable standards for the safe and sound operation of the credit union." *I contend that Congress deliberately instructed NCUA to keep credit unions small and focused on providing services to specific groups that lack other access to financial services.*

NCUA's proposal disregards this directive. It would modify the current process for assessing stand-alone feasibility of groups that seek to be added to a field of membership of an existing multiple common bond credit union by allowing a streamlined determination for groups between 3,000 and 4,999 potential new members. The proposal once again is in direct conflict with the FCU Act which has established a 3,000 threshold for the determination of stand-alone feasibility of groups.

Conclusion

In exchange for tax-exempt status and other advantages, Congress limited the size and scope of activities for credit unions. I strongly oppose NCUA's use of rulemaking to expand membership beyond the limits established by Congress under both CUMAA and the FCU Act. I strongly oppose any attempt that allows credit unions the ability to drastically expand membership while allowing them to remain tax-exempt.

I also believe the proposal is not the type of rulemaking an independent, supervisory agency such as NCUA should engage in, as it flies in the face of an agency's duties to examine credit union practices against the requirements established by Congress—including chartering and field of membership rules. For these reasons, NCUA must withdrawal its proposal.

Once again, I appreciate the opportunity to comment on NCUA's proposal.

Sincerely,

Carrie Bruins
Assistant Vice President/ Audit & Compliance Officer

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