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February 2, 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 Union State Bank of West Salem is a \$75 million community bank in West Salem, Wisconsin. We have been the locally owned community bank in our town for over 110 years. With eighty local families owning stock in our bank, our success is tied directly to the success of our local businesses, farmers and families. I will comment on your proposal to revise the Chartering and Field of Membership Manual.

As the President of the Union State Bank of West Salem, I am gravely concerned over the NCUA's use of its rulemaking authority attempting 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 anything that allows credit unions the ability to expand membership while allowing them to remain tax-exempt.

NCUA, as their 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.

In 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. That 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. The NCUA proposal would treat a Combined Statistical area and a Congressional District as a well-defined local community. Also, the proposal would expand the rural district population limit by four times the current threshold to one million. The proposal is contrary to Congressional intention on community credit unions as it goes beyond any reasonable definition of local.

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.

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MEMBER FDIC

Gerard S. Poliquin, Secretary
National Credit Union Administration

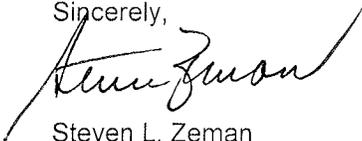
Finally, in exchange for tax-exempt status and other advantages, Congress limited the size and scope of activities for credit unions. I strongly oppose NCUA's use of rulemaking to expand membership beyond the limits established by Congress under both CUMAA and the FCU Act.

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 withdraw its proposal.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Steven L. Zeman".

Steven L. Zeman
President
Union State Bank of West Salem
West Salem, Wisconsin