

**From:** [Mike Lewis](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond  
**Date:** Wednesday, February 03, 2016 3:57:12 PM

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Mike Lewis  
1424 S. Adams St.  
Fort Worth, TX 76104

February 3, 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. Even more important, as a tax paying fiscal conservative, I am appalled at the loss of billions of dollars of tax revenue by an industry usurping legislative authority.

- My bank serves customers and the surrounding community, and unfair competition from the credit union industry impacts my business. When credit unions are allowed to offer the same goods and services as tax-paying banks in large geographic areas, it creates an absurdly uneven playing field. Banks are not tax exempt, and in our case a small business 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. Allowing a single credit union to cover an entire state, or multiple states as proposed certainly goes far beyond the intent of Congressional legislation.
- 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. Increasing the field of membership over its current levels equates to offering services to a much broader spectrum than was ever intended. In addition, this proposal could allow credit unions to redline lower income areas, as they are not subject to the Community Reinvest Act. That in and of itself seems a travesty but is another subject.

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.

Sincerely,

Mike Lewis