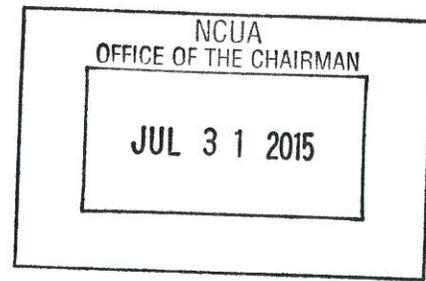




July 22, 2015



The Honorable Debbie Matz, Chair
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Dear Madam Chair:

Our bank is located in Oklahoma and has assets of \$325MM. Every day we must compete against tax-favored credit unions for a growing percentage of business from consumers in our respective markets.

Indeed, most consumers when asked do not understand the primary difference between tax-paying banks and income tax-exempt credit unions and how these differences impact their individual pocket book. Nor do they understand what your Agency proposes will make an even more obvious mockery of the credit union mission for which the industry's tax-exemption was given more than 80 years ago.

We are familiar with the recent comments that have been made public by your Agency's Chair about expanding the reach of tax-favored credit unions into commercial lending activities under the guise of "regulatory relief." But it's difficult for most objective individuals to see how expanding credit union business lending authority qualifies as "regulatory relief."

On the contrary, what we see is a proposed change (without the necessary authority, we might add) that creates significant safety and soundness problems, not because of enhanced regulatory oversight but because of expansion into an area in which most credit union lenders have little or no experience.

Your agency has also suggested watering down statutory prohibition on supplemental forms of capital and limitations on credit union fields of membership. In addition to a question about statutory authority to make these changes, it's difficult for us to understand how such an expansion lines up with the statutory mission which your Agency is supposed to enforce of serving low- and moderate-income consumers.

These proposed changes will fuel substantial and rapid growth in the tax-exempt credit union industry. So will the idea of expanding the ability of

more credit unions to apply for and receive a "low-income" designation from your agency.

These proposals have nothing to do with "regulatory relief; rather, it is clear that their only objective is to enhance the ability of credit unions to expand their reach at the expense of traditional, tax-paying community banks and their customers. And they make a mockery of the statutory mission given to credit unions to serve their targeted market.

We would appreciate a realistic and honest explanation as to why and how you believe these concepts provide "regulatory relief" for any credit union.

Sincerely,



Matthew R. Clouse
President – Norman Market
Valliance Bank