

F&M BANK

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"The Right Choice"

January 25, 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 the 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 am Executive Vice President of F&M Bank, managing our Minnesota Offices here in Vadnais Heights and Lino Lakes.

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 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.

I thank you in advance for your consideration and allowing for reasonable commentary.

Sincerely,



Thomas G. Colgan
Executive Vice President

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