



February 6, 2016

**COMMUNITY BANK**  
ESTABLISHED 1883

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

Dear Mr. Poliquin

I am writing this letter in response to the new proposed rule for chartering and field membership to credit unions. I am employed by a local bank providing all aspects of banking services to our community. We invest in the community through our local development corporation and hold funds from our city and county government in interest bearing accounts. We donate to many local organizations including our Chamber of Commerce.

We have a local credit union and they also are good members of our financial community, but we are currently under attack from large credit unions outside our local area advertising high rates on deposit accounts and low rates on consumer loans. They advertise that anyone can join their credit union which is centered in a community 90 miles away. They are expanding their presence with large new branches in areas a long way from their localized area. They take member generated income and spend it on advertising and sponsorships designed to increase their opportunities with high income middle class families and small business loans.

It was my understanding that the original credit union charter was granted to help local underserved people have access to financial services. This is a great concept, but it now goes way beyond any definition of local and greatly expands a tax subsidized organizations ability to take potential taxable income away from the local financial entities. It lowers our ability to donate profits back to our local community. I do not understand this emphasis at a time when our government is looking for ways to finance multiple programs for lower income working class citizens.

I am not against credit unions as I have children who are members in their local communities. I know that they provide low cost access to consumer loans which stimulate our economy. I just don't understand why our government would be encouraging them to grow larger and expand beyond their original function and charter. A while back they decided to tax mutual insurance entities and they don't appear to have suffered from the change. I think we need to consider changes to the current taxable status of large credit unions, not expanding their presence.

Russ Leix  
Branch Manager  
Community Bank  
Newton, Iowa

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