

From: [Jim Goldston](#)
To: [Regulatory Comments](#)
Subject: Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond
Date: Friday, February 05, 2016 3:36:54 PM

Jim Goldston
1733 Castle Drive
Clyde, TX 79510

February 5, 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.

- My bank serves customers and the surrounding community, and unfair competition from the credit union industry impacts my business. These credit unions are not paying taxes thus using government money to compete against the bank in our area. I am tired of the government accruing all this debt for my kids and letting the credit unions have a free ride on taxes. You make a profit, you should pay the tax and not give it back to the credit union members. Banks are not tax exempt, but are for-profit businesses 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. The credit unions compete for deposits and loans from banks and do not have to comply with the same laws and regulations that bank have to comply. If we are protecting the public, why should all financial intuitions not have to comply with federal and state regulations.
- 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. The proposal would disregard this Congressional directive by modifying NCUA's process for assessing stand-alone feasibility of groups that seek to be added to the field of membership of an existing multiple common bond credit union by allowing a streamlined determination for groups with between 3,000 and 4,999 potential new members. Now they are loaning money to people and companies that make millions of dollars and doing it with out having to pay income tax. This way the government is subsidizing companies and individuals making millions of dollars by giving them loans and the credit union not paying taxes.

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,
Jim Goldston