

From: [Mark Hayes](#)
To: [Regulatory Comments](#)
Subject: (Mark Hayes) Comments on Proposed Rulemaking Regarding Associational Common Bond
Date: Thursday, February 04, 2016 3:31:02 PM

As the CEO of a small rural community bank, I continue to be amazed at the blatant disregard for the spirit of the National Credit Union Act by the nation's largest credit unions.

It is very clear that the passage of the Federal Credit Union Act had a very specific intent. The intent was to make credit available to, and promote thrift among Americans. The nonprofit cooperative credit unions were authorized to provide financial services to the underserved of the nation.

Since the passage of the Act, the availability of credit has expanded throughout the nation and is readily available to all Americans. However, the Credit Union Industry continues to enjoy the advantages of its tax exempt status and compete directly with commercial banks that pay significant taxes. The tax exempt status of the Credit Union Industry has served to help the industry rapidly expand. Regardless of its growth, the Credit Union Industry seems to have an insatiable appetite for more. To continue its expansion, credit unions have an effort underway to alter the definition used for local community and rural districts, to expand the definition for multiple common bond credit unions, and to redefine members' proximity to multiple common bond credit unions.

In the rural markets our bank serves, we are the organization the community looks to for leadership and support. We take the lead in promoting education, healthy living, and the arts. In 2015, our contributions in these areas exceeded \$142,000. In addition to these gifts, our small community bank, with slightly over \$700 million in assets, paid \$3,528,940 in taxes. The credit unions that we compete with do not support the local community nor do they pay taxes. However, because credit unions do not pay taxes, they are able to offer lower rates on loans and pay higher rates on deposits. The sad fact is, human nature places more value on rates than the contribution to the local community. Therefore, the credit unions continue to take business from the proven leaders that support the community, the local commercial banks. As credit unions take business from the local commercial banks, eventually the banks will not have sufficient profits to continue to give financial support to the community. Plus, with lower profits, the taxes paid by the commercial banks will also be reduced. The end result will ultimately be a deterioration in the quality of life in these rural areas.

I urge you to reject the latest efforts of the Credit Union Industry to circumvent the intent of Congress by using the NCUA to gain an even greater advantage over taxpaying commercial banks. The actions of the credit unions, in my opinion, are completely un-American. Our nation has over \$19 billion in funded debt that can only be serviced by tax payers. While the nation faces this debt crisis, the Credit Union Industry continues to demonstrate that it has greater interest in its personal expansion over doing its part to support the local community or contributing to the nation's financial obligations.

If the NCUA chooses to grant the additional powers that are in violation of the spirit of the Credit Union Act, it is only logical that eventually Congress will take notice of these abuses and the entire Credit Union Industry will lose its tax exempt status.

Sincerely,

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Chairman and CEO



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