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February 8, 2016

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

Dear Mr. Poliquin:

This letter is to express Howard Bank's opposition to the National Credit Union Administration's proposed rule change to the Chartering and Field of Membership Manual.

The proposed changes include a significant expansion of the definition of "community", circumventing Congressional intent as expressed in the Credit Union Membership Access Act. It would also lower the size of eligible groups to 3,000 and would redefine a "multiple common bond credit union" without providing a branch network. These changes would be adversarial to the interests of community banks in a marketplace where Credit Unions already enjoy unfair competitive advantages including tax-exempt status and no requirement to meet the provisions of the Community Reinvestment Act.

Since its creation in 2004, Howard Bank has served the financial needs of small to mid-sized businesses and residents in the Greater Baltimore area, and has distinguished itself as a leader in support of local not for profit organizations and philanthropy. The unjustified expansion of Credit Union would introduce a negative dynamic in the marketplace, damaging the profitability of community banks and limiting our ability to serve localities in our regions.

We are concerned that this proposal goes beyond any reasonable definition of "local" and clearly oversteps NCUA's regulatory reach. Such a broad expansion of authority 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. This abuse of regulatory authority has vast and negative implications for both marketplace dynamics and the potential increases of tax subsidies at a time when governments are working with large budget deficits.

These recommendations should not go forward!

Respectfully,

A handwritten signature in cursive script that reads "Mary Ann Scully".

Mary Ann Scully  
Chair and CEO  
Howard Bank

cc: Maryland Bankers Association  
American Bankers Association