

**From:** [Jennifer Jakel](#)  
**To:** [Regulatory Comments](#)  
**Subject:** "AbbyBank Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond"  
**Date:** Tuesday, February 02, 2016 10:41:14 AM  
**Attachments:** [image001.png](#)

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February 2, 2016

VIA EMAIL

Mr. Gerard S. Poliquin  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428  
[regcomments@ncua.gov](mailto:regcomments@ncua.gov)

**Re: Proposed Rulemaking Regarding Associational Common Bond; RIN 3133-AE31**

Dear Mr. Poliquin,

AbbyBank is a \$336 million community institution in Abbotsford, Wisconsin. Founded as a small community bank in 1968, our goal has consistently been to serve the needs of our rural and low-moderate income customers. One of our tenants has been to always offer no-cost services to our population and meet the needs of individuals. Just yesterday an individual came to us as a home loan applicant after being denied by a credit union solely based on the type of property. We are able to assist this individual with the loan. This example shows a local community bank better able to meet the needs of our rural population than the credit union that is a branch location 60+ miles from its home office. There clearly is no need for expansion of reach for credit unions. I appreciate the opportunity to comment on the National Credit Union Administration's (NCUA's) proposal to revise its Chartering and Field of Membership Manual.

As a community banker with AbbyBank, I am gravely concerned over NCUA's use of its rulemaking authority in an attempt to: (1) expand the definition of community; (2) provide additional methods of membership for multiple common bond credit unions; and (3) redefine members' proximity to multiple common bond credit unions beyond what I believe are limits in both size and scope specifically imposed by Congress under both the Credit Union Membership Access Act (CUMAA) and the Federal Credit Union Act (FCU Act), in exchange for credit unions' tax exempt status. I strongly oppose any attempt that allows credit unions the ability to drastically expand membership while allowing them to remain tax-exempt.

NCUA, as regulator, must examine credit union practices against the requirements established by Congress—not use rulemaking as a means to circumvent the plain language of CUMAA or the FCU Act.

Under the FCU Act, as amended in 1998, Congress intentionally included the term "local" as a means of limiting the geographic scope of community chartered credit unions. I

believe the term, combined with the term “well-defined”, clearly demonstrates that Congress intended to impose narrow limits on the area a community credit union may serve. NCUA’s proposal, however, would treat a Combined Statistical Area and a Congressional District as a well-defined local community. Additionally, the proposal would expand the rural district population limit by four times the current threshold to one million. I assert NCUA’s proposal is contrary to Congressional intention on community credit union charters as it goes beyond any reasonable definition of local.

Additionally, the FCU Act states, “[i]n general, the Board shall encourage the formation of separately chartered credit unions instead of approving an application to include an additional group within the field of membership of an existing credit union whenever practicable and consistent with reasonable standards for the safe and sound operation of the credit union.” I contend that Congress deliberately instructed NCUA to keep credit unions small and focused on providing services to specific groups that lack other access to financial services. NCUA’s proposal disregards this directive. It would modify the current process for assessing stand-alone feasibility of groups that seek to be added to a field of membership of an existing multiple common bond credit union by allowing a streamlined determination for groups between 3,000 and 4,999 potential new members. The proposal once again is in direct conflict with the FCU Act which has established a 3,000 threshold for the determination of stand-alone feasibility of groups.

#### Conclusion

In exchange for tax-exempt status and other advantages, Congress limited the size and scope of activities for credit unions. I strongly oppose NCUA’s use of rulemaking to expand membership beyond the limits established by Congress under both CUMAA and the FCU Act.

I strongly oppose any attempt that allows credit unions the ability to drastically expand membership while allowing them to remain tax-exempt.

I also believe the proposal is not the type of rulemaking an independent, supervisory agency such as NCUA should engage in, as it flies in the face of an agency’s duties to examine credit union practices against the requirements established by Congress—including chartering and field of membership rules. For these reasons, NCUA must withdrawal its proposal.

Once again, I appreciate the opportunity to comment on NCUA’s proposal.

Sincerely,

Jennifer Jakel  
Executive VP/CRA Officer



*We Make Banking About You*  
401 East Spruce Street | Abbotsford | WI | 54405  
Phone (715) 316-6229 or 1 800-288-2229

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