



July 26, 2017

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

RE: Comments on NCUA Proposed Rule (Bank Conversions and Mergers; and Voluntary Mergers of Federally Insured Credit Unions)

Dear Mr. Poliquin:

This comment letter represents Beacon Credit Union's opposition to NCUA's proposal to revise the procedures a federal credit union must follow to merge voluntarily with another credit union.

Beacon Credit Union agrees with NCUA's comments that credit unions are in a period of consolidation, Beacon believes there are a couple of reasons for this trend. The first is the membership's desire for additional products and services that smaller credit unions cannot provide without improved operating efficiencies and economies of scale. The second is that smaller credit unions lack the resources and proficiency to comply with the numerous regulations that have been placed on the credit union industry since 2009 while trying to compete in their markets. One answer is to look for a merger partner to leverage economies of scale while their financial condition is strong so they may control the situation and dictate terms.

The rule changes maybe well intended but the new requirements of disclosure will only make the merger process more expensive and more difficult to accomplish. The membership should have full disclosure of

products, services, and impact on convenience to make an informed decision. However, members have no right to personal financial information of credit union employees. Credit unions are not publically traded; no stock price is impacted so no investment type rules should apply.

Finally, NCUA's justification for the rule change appears to rest with one or two complaints from past mergers. Since credit union industry has averaged about 200 mergers in the past five years with the vast majority having no conflicts of interest Beacon believes the rule change is not warranted. The NCUA own commentary states "**many merging FCUs make good faith efforts to comply with the requirements of part 708b,**" Beacon Credit Union asks NCUA to withdraw the proposed rule.

We appreciate the opportunity to comment and would like to restate that NCUA should make the merger process easier and less expensive and not more difficult.

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg W. McConville".

Greg W. McConville
President/CEO
Beacon Credit Union