BOARD ACTION MEMORANDUM

TO: NCUA Board   **DATE:** October 25, 2016

FROM: Director Gail W. Laster   **SUBJ:** Proposed Rule – Appendix B, of
Office of Consumer Protection   Part 701, Chartering and Field of
                                                     Membership Manual

ACTION REQUESTED: NCUA Board approval of proposed revisions to Appendix B of 12 CFR Part 701, Chartering and Field of Membership Manual.

BUDGET IMPACT, IF ANY: Minimal.

DATE ACTION REQUESTED: October 27, 2016.

OTHER OFFICES CONSULTED: Office of General Counsel.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

RESPONSIBLE STAFF MEMBERS: Matthew Biliouris, Deputy Director, Robert Leonard, Director, Division of Consumer Access, and Rita Woods, Director, Division of Consumer Access South, Office of Consumer Protection; Senior Staff Attorney Steven W. Widerman, and Staff Attorney Marvin Shaw, Office of General Counsel.

SUMMARY:
The Field of Membership Working Group developed the attached proposal to follow the Board's adoption of a final rule comprehensively amending NCUA's chartering and field of membership policies and procedures. The proposal further amends those policies and procedures to achieve three objectives. The first is to give to applicants seeking approval to initially form, expand, or to convert to, a community charter the option, in lieu of relying on a "presumptive community," to submit a narrative to establish common interests and interaction among residents of the area it proposes to serve, thus qualifying the area as a well-defined local community. The second objective is to increase to 10 million the population limit on a well-defined local community other than a Single Political Jurisdiction. The final objective is to permit a credit union to designate an individual portion of a Core-Based Statistical Area as its community without regard to metropolitan division boundaries within the area, if any.

RECOMMENDED ACTION: NCUA Board approval of proposed changes to Appendix B, Chartering and Field of Membership Manual to Part 701 with a 30-day comment period.

ATTACHMENT: Proposed rule.