

**BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** February 7, 2013

**FROM:** Gail W. Laster

Director, Office of Consumer  
Protection

**SUBJ:** Cinfed Federal Credit Union's  
Application to Convert to a Community  
Charter

**ACTION REQUESTED:** Approve application for a conversion to a community charter for Cinfed Federal Credit Union located in Cincinnati, Ohio under Section 109 of the Federal Credit Union Act, and Interpretive Ruling and Policy Statement (IRPS) 08-2, as amended by IRPS 10-1.

**DATE ACTION REQUESTED:** March 14, 2013

**OTHER OFFICES CONSULTED:** NCUA's Office Examination and Insurance and Region III.

**VIEWS OF OTHER OFFICES CONSULTED:** Both Region III and NCUA's Office of Examination and Insurance concur in approving the credit union's request.

**BUDGET IMPACT, IF ANY:** None

**RESPONSIBLE STAFF MEMBERS:** Director Gail W. Laster, Office of Consumer Protection; Director Rita Woods, Consumer Access Division-South; and Consumer Access Analyst Elliot Weiss.

**SUMMARY:** The State of Ohio chartered Cinfed Federal Credit Union in 1934 as Local #75 Federal Employees Credit Union, Inc., and shortly thereafter approved the credit union to serve active and retired federal employees in the Cincinnati, Ohio area. In 1975, the credit union converted to a federal credit union charter and changed their name to Cin Fed Employees FCU. The name was shortened to Cinfed FCU in 2005. Over time management has added over 240 select groups to the FOM. CFCU seeks a community charter because they have saturated their existing field of membership serving 74.48 percent of their potential members and need to diversify to remain viable.

As of December 31, 2012, CFCU reported assets of \$312.9 million and 29,791 members from a potential of 40,000, representing a penetration of 74.48 percent.

CFCU proposes to serve persons who live, worship, work (or regularly conduct business in) or attend school in, and businesses and other legal entities located in Boone, Campbell and Kenton Counties, Kentucky, and Hamilton County, Ohio. The four-county area is part of the Cincinnati-Middletown, OH-KY-IN Metropolitan Statistical Area (MSA).

The requested community has a population in excess of 1,000,000 (1,171,241 per the 2010 US Census); therefore, NCUA Board approval is required under Delegated Authority CHA 3A.

CFCU's application meets the requirements outlined in IRPS 10-1 to convert to a community charter. The four-county area is a well-defined local community because it is part of the Cincinnati-Middletown, OH-KY-IN MSA which is designated as a Core Based Statistical Area with a population of less 2.5 million or less. Cincinnati in Hamilton County is the MSA's principal city, and the core of the four-county proposed community.

CFCU's business plan demonstrates their ability and intent to serve persons throughout the entire community. The plan is comprehensive and addresses the guidance provided in Letter to Credit Unions 11-FCU-03. CFCU has the staff and infrastructure to serve the entire community. The vast majority of residents live within 10 miles of a credit union service facility. Community residents will have immediate access to a wide range of products and services offered by CFCU.

CFCU is a financially stable, well capitalized credit union with manageable delinquency and loan losses, and management is capable of handling the community conversion.

**RECOMMENDED ACTION:** Approve the application to convert to a community charter for Cinfed Federal Credit Union.

Attachments