



CUNA

Credit Union National Association

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October 1, 2010

Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke St.

Re: Low-income Definition Interim Final Rule; RIN 3133-AD75

Dear Ms. Rupp,

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the National Credit Union Administration Board's (Board's) request for comment regarding its low-income definition interim final rule that became effective August 5, 2010. By way of background, CUNA is the largest credit union trade organization in the country, representing approximately 90 percent of our nation's nearly 7,700 state and federal credit unions, which serve approximately 93 million members.

Discussion of CUNA's Views

The interim final rule would clarify that when a credit union relies on member income information as opposed to the agency's geocoding software to apply for low-income status, only like data from relevant categories of information should be used. For example, individual member income data should be measured against individual median earnings and not against median family income. We support this change.

However, we remain concerned with the low-income rule relating to a provision in the 2009 amendment that permits a credit union applicant to "... demonstrate the actual income of its members based on data it has, for example, from loan applications or surveys of its members." Specifically, the rule characterizes a "survey" as a census of all credit union members showing that more than 50% of members qualify as "low-income."

Consistent with concerns raised by the National Federation of Community Development Credit Unions, we encourage the Board to remove the 50% requirement contained in the low-income rule. We believe it is needlessly



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burdensome and sets an unnecessarily high bar for credit unions to cross. Under the Federal Credit Union Act, the Board has the latitude to define "credit unions serving predominantly low-income members" and we urge the Board to provide some flexibility to credit unions seeking low-income status. As commonly defined, "predominantly" means "mainly" or "chiefly," but there is no consistent connection between the use of this word and 50%.

Further, we believe the Board should accept actual member income information collected from a survey of credit union borrowers, as opposed to all members, as a statistically valid random sample.

Thank you for the opportunity to express our views on the Board's interim final rule. If you have any questions about our views, please do not hesitate to give Senior Vice President and Deputy General Counsel Mary Dunn or me a call at (202) 508-6743.

Sincerely,

A handwritten signature in cursive script that reads "Luke Martone". The signature is written in black ink and is positioned above the typed name and title.

Luke Martone
Regulatory Counsel