

Chairman of the Board

JUL30'07 PM 3:14 BOARD

July 24, 2007

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: NCUA Proposed Changes to Chartering and Field of Membership Manual

Dear Ms. Rupp:

On behalf of the Board and management of Chartway Federal Credit Union, we would like to offer the following comments for the record on proposed changes to 12 CFR Part 701 – Chartering and Field of Membership for Federal Credit Unions.

Community Charter Application and Documentation Requirements

Chartway agrees that a well-defined local community requires very specific parameters and characteristics to ensure that it can be considered a community geographically and philosophically. More important is whether the additional documentation impairs the speed, willingness and opportunities that exist for credit unions. There must be a balance between what NCUA wants in terms of documentation and what is reasonable to encourage business.

Overall, we believe the proposed definition of what constitutes a “well-defined local community” is helpful to those credit unions that possess field of membership opportunities in multiple jurisdictions. As such, Chartway supports the proposed definition utilizing measurable standards.

Presumptive Local Community Definition

Chartway does not agree with the proposal to increase the amount of evidence for multiple jurisdictional with more than one dominant hub. NCUA must remember that geographic landscapes, jurisdictions and markets are as unique as the members that live and work within them. Therefore, the ability to add multiple jurisdiction applications within a geographic area should not be taxing to credit unions, but simply ensure that the jurisdiction can be supported legally and logically.

Notice and Public Comment Period Requirement

We do not consider the need to publish a notice in the Federal Register for a 30-day comment period is necessary. In fact, we would expect every community charter application that is published for comment would meet with banker's resistance, thus undermining credit unions' ability to rapidly seize business opportunities. We believe submission to and approval by NCUA is all that is necessary to confirm a community charter application.

Five Year Presumptive Limit for Previously Approved Communities

Chartway believes that the term limitation should be applicable to a specific measurement tool. It is our position that the time period should be every ten years as per the US Census Report.

Definition of Rural District

We believe that rural jurisdictions have very unique geographic and demographic landscapes, jurisdictions and markets. Therefore, the definition must be flexible yet supported legally and logically. As such, we agree with the proposed definition. We also agree that different documentation is needed assuming that NCUA will be flexible in their analysis and approval process.

Mergers of Community Chartered Credit Unions

Chartway greatest concern is the inability for NCUA to consider the merger of a community-based credit union by a multi-group credit union. Many credit unions understand the need to diversify their field of membership (FOM) by cultivating a variety of membership eligibility channels. NCUA's refusal to allow multi-group credit unions to merge with community-based institutions eliminates opportunities for growth, consolidation and often ensuring future safety and soundness.

Additional Comments regarding Community Chartered Field of Membership

NCUA needs to address the issue of multiple community fields of membership. While Chartway understands that the Credit Union Act states "a well-defined local community" it is our contention that a well-defined local community can be multiple locations if located in non-contiguous areas. For example, Chartway has a membership base in 8 states – each with unique communities but not contiguous. It is our contention, that we could better serve these markets with a community charter.

In closing, we would like to thank you for the opportunity to provide our comments and thoughts regarding the proposed changes to the Chartering and Field of Membership Manual. Please feel free to contact me if you need additional information or clarification on any of the issues addressed in this comment letter.

Sincerely,



E. L. Gull, Jr.
Chairman of the Board