



April 14, 2010

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

Subject: National Credit Union Administration Chartering of Field of Membership for Federal Credit Unions 12CFR Part 701 Proposed Rules

Dear Ms. Rupp:

As a long time community chartered Federal Credit Union, we appreciate the efforts that have been made to streamline the field of membership application process. Eliminating the need for a narrative describing how a requested area meets the definition of a well-defined local community is a great step forward in simplifying and reducing the time and cost associated with such an undertaking. While we support the addition of this streamlined approach, we feel the elimination of the narrative application process will have an undesirable impact. We also feel some changes can be included to allow additional applications to be streamlined.

Our field of membership currently straddles the Detroit and Ann Arbor Metropolitan Statistical Areas in Michigan. Our community consists of four contiguous townships (Plymouth, Canton, Northville and Novi) comprising a rectangular area approximately eighteen miles by six miles and located in the Detroit MSA. We also have as part of our field of membership an area defined by the Plymouth-Canton School District that includes parts of Superior and Salem townships to our west that are part of the Ann Arbor MSA. We recently applied to include the township to our south and the four adjacent townships to our west (including Salem and Superior). This would have resulted in a contiguous community of approximately 12 miles by 24 miles. This is a community of small towns where many people who work in the Detroit and Ann Arbor MSAs live. We were able to demonstrate a high degree of interaction between the communities in our application, but were told we had no chance of having a field of membership approved that overlapped two MSAs. In our case, with your existing rules, we were told that the narrative was trumped, without any reasonable chance of exception, by our MSA overlap. Your proposed streamlined process will simplify the process for many applications, but eliminates the possibility of a community field of membership being approved that does not meet your very specific criteria. We feel that your proposal, while appealing in its simplicity, needs to include a process to consider requests without prejudice that fall outside of your streamlined definitions.

If the streamlined process is adopted, with or without a narrative option, we ask that it be changed to allow the following:

- Any defined political jurisdiction or combination of defined political jurisdictions that are wholly contained by a 25 mile radius from any specific point
- Any defined political jurisdiction or combination of defined political jurisdiction that are wholly contained by a radius of any distance, providing that the population of all the defined political jurisdictions wholly contained within that radius does not exceed 250,000

Our reasoning behind this request is that not all interacting communities fall neatly within your proposed guidelines. This addition would allow some ability for credit unions to define their own “Well defined local community” using arbitrary, but conservative limits of distance and population that do not rely on the establishment of political jurisdictions. I would be supportive of higher limits in either of these two categories that could be reasonably supported and defended by NCUA.

We also have a three county rural field of membership that is the result of an emergency merger with a two county credit union in northern Michigan that took place in the mid 1980s and the addition of an adjacent underserved county about ten years ago. This community is almost 200 miles to the north of us. We feel that we should be able to have field of membership expansions considered independently for either of our two communities under any rules you adopt. Field of membership requests for either of these areas should be considered independently. We understand that our situation is not common, but it is this unique situation that allows us to point out improvements that can be made in your proposal.

In conclusion, we applaud your effort to simplify the application and approval process. We encourage you to allow applications to be considered that are outside of your streamlined definition. We hope you will consider changing the parameters of your streamlined criteria to allow contiguous communities to be approved up to certain area and population limits, regardless of whether they are contained in a single MSA or MSA Division. Credit unions serving multiple independent communities as a result of an emergency merger should have field of membership requests for any of these multiple communities considered independently.

Thank you for the opportunity to provide feedback on the proposed chartering and field of membership manual and policies.

Respectfully,

William F. Lawton  
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