



PO Box 1420, Rapid City, SD 57709-1420

November 26, 2012

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

Re: Comments on Notice of Proposed Rulemaking for Chartering and Field of Membership Manual for Federal Credit Unions; RIN 3133-AE02

Dear Ms. Rupp:

I am writing to you today to comment on NCUA's proposed amendment to expand the current definition of "rural district." As Manager of the Marketing and Membership Development team at Black Hills Federal Credit Union (BHFCU) for nearly 18 years, I feel strongly about membership opportunities for credit unions.

As you are aware, BHFCU recently merged with CR Community First Federal Credit Union, serving the Cheyenne River Reservation. I was part of the team on the initial site visit to CR Community's office in Eagle Butte, South Dakota. Eagle Butte is a small town of 1,318 residents; the largest community in two counties that cover a land mass the size of Connecticut. These counties are among the poorest in the nation.

My trip to Eagle Butte and the stories I heard while visiting with its residents compelled me to write this letter. I was taken by surprise by the people of Eagle Butte and their awareness and connection to BHFCU and the Rapid City area. We are more than 170 miles away, on two lane roads, and often experience extreme weather conditions. Yet, we were told the majority of the people living on the reservation do their shopping in Rapid City. Furthermore, they associate spending money with Rapid City; finding everything they need or want, from movies and sporting events to shopping and medical services that would otherwise be unavailable to them. One individual told us she has been a BHFCU member for more than 20 years and likes the convenience of our six locations in Rapid City, a 2-1/2 hour drive from her home.

In rural states, cities take on greater significance, their pull reaching deep in to remote areas where residents have few, if any, services. Their connection to not only basic goods and services, but to other people and ideas is rooted in those cities no matter the geographic distance. The woman living 2-1/2 hours away from Rapid City has a bond with the Rapid City area. It is an extension of her home and part of her greater community. Her doctor is in Rapid City. Her grandson plays sports here. Her favorite store is at the new mall north of town. And her savings are here at BHFCU.

In South Dakota, of our 311 cities and towns, only two have populations greater than 50,000; Rapid City in the west and Sioux Falls, 350 miles to the east. Yet there are 75,811 square miles and 824,082 people who require goods and services, some of which are available only in these two cities. The current limit placed on credit unions of 200,000 persons in a "rural district" creates a hardship for rural areas by inadvertently limiting credit union services to the most heavily populated areas surrounding large cities. This hardship will not be alleviated by the proposed amendment to "rural district" of "200,000 persons or 3 percent of the population of the state in which the majority of the district's persons are located." Rural states do not have the population density to create a statistically significant state population to qualify for the 3 percent option.

I urge you to consider the truly rural populations and the difference credit union services could bring to low-density, underserved areas if instead, the "rural district" limit were to be increased beyond 200,000.

Rural residents just want what everyone else has – the freedom to choose from a variety of goods and services. They're willing to drive to obtain them, and "heading into town" simply means going to the big town. The big town they think of as their own.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carol M. Brown", with a long, sweeping flourish extending to the right.

Carol M. Brown
Marketing Manager