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November 26, 2012

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

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

Dear Ms. Rupp,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the Proposal to amend the definition of a "rural district". As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 149 Georgia credit unions that have over 1.8 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

GCUL supports the NCUA's efforts to improve the definition of a "rural district" by providing an alternative option for a credit union to meet the charter criteria if the credit union served an area that exceeded 200,000 persons. We agree the proposed rule is a step in the right direction; however, our credit union members in rural areas continue to raise concerns with the current and proposed definitions of "rural district".

We feel the current limit of 200,000 is much too low to sustain a viable "rural district" Federal Credit Union. There has been a modest use of the rural charter since the 2010 final rule on field of membership and the "rural district", and fewer than 50 Federal Credit Unions currently use the rural charter. A broader definition of a permissible rural area is appropriate because a rural area may often be located by a more populated hub city or town and members often travel to such a hub city or town for shopping and other services. As NCUA noted, the inclusion of the more populated hub city or town may cause the area to exceed the current 200,000 person limit. Plus rural Federal Credit Unions find it difficult and costly to attract members in a widely dispersed rural area.

We recommend the NCUA to consider whether a statistical area definition for “rural district” is appropriate or necessary. Rather than attempting to define what rural districts are, it might be easier to stipulate what they are not. NCUA could determine that “rural districts” are contiguous areas within a state that have a population of less than 500,000. We support the grandfathering of Federal Credit Unions that are currently designated as “rural district” Federal Credit Unions. We also believe these Federal Credit Unions should be permitted to apply for an expansion of their charter to serve additional members.

GCUL appreciates the opportunity to present comments on behalf of Georgia’s credit unions. Thank you for your consideration. If you have questions about our comments, please contact Selina Gambrell or Cindy Connelly at (770) 476-9625.

Respectfully submitted,

A handwritten signature in cursive script that reads "Selina M. Gambrell". The signature is written in dark ink and is positioned below the typed name.

Selina M. Gambrell
Compliance Specialist