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November 26, 2012

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

***Re: Chartering and Field of Membership Manual
Definition of Rural District***

Dear Ms. Rupp:

The Pennsylvania Credit Union Association (PCUA) appreciates the opportunity to comment on the National Credit Union Administration (NCUA) Board's Notice of Proposed Rulemaking (NPRM), that would amend the NCUA's Chartering and Field of Membership Manual (Manual) with regard to the definition of the term, "rural district." PCUA is a statewide advocacy organization which represents a majority of the over 500 credit unions located in the Commonwealth of Pennsylvania.

The proposed amendment to the definition of rural district would permit a geographic area to qualify as such if that area, in addition to other criteria, has a total population that does not exceed 200,000 people or three percent of the population of the state in which a majority of the district is located. PCUA is happy to support this amendment. It affords additional flexibility in terms of chartering options for credit unions as well as more options for consumers seeking a financial institution. It also enhances the viability of a given geographic area to support a credit union drawn around a rural district.

While this proposal has significant merit, we urge NCUA to consider further enhancements of chartering options for federal credit unions. We note that currently, the Manual permits a field of membership based on a well-defined local community or rural district. An area is well defined if it consists of a single political jurisdiction, Statistical Area or Core-Based Statistical Area or Metropolitan Division where the population is 2.5 million persons or less. Federal Register Vol. 75, No. 122, p. 36264, June 25, 2010. This definition abandoned a factors-based analysis that NCUA pursued in prior versions of the Manual.

A drawback to the approach or evaluation of whether an area is a well-defined local community or rural district is that it can exclude geographic areas of the Commonwealth of Pennsylvania, particularly rural areas that would otherwise make for logical inclusion in a community charter.

Pennsylvania has 47 counties with a population of less than 200,000 persons, according to 2010 U.S. Census data. Fourteen of those counties fall outside of the Core-Based Statistical Areas or Metropolitan Statistical areas located within the Commonwealth. A case can be made for the inclusion of those counties within a community charter comprised of a Core-Based or Metropolitan Statistical Area because of their proximity to such a statistical area. Many of those rural counties are adjacent to a statistical area but fall outside of the boundaries.

PCUA proposes that NCUA craft a rule that permits an additional chartering option, a hybrid charter if necessary. A county that meets the definition of rural district that is adjacent to a Core-Base Statistical Area, Metropolitan Statistical Area or Micropolitan Statistical Area may be included within a community charter that includes the foregoing types of statistical areas. This represents a common-sense solution for inclusion of rural areas within a viable service area. Consumers who live in rural areas would enjoy more opportunities to obtain services from credit unions.

As always, Pennsylvania's credit unions are grateful for the opportunity to offer input on significant policy matters. We would be happy to address any questions raised by this comment letter at your convenience.

Very truly yours,

PENNSYLVANIA CREDIT UNION ASSOCIATION



James J. McCormack
President/CEO

JJM:RTW:llb

cc: Association Board
Regulatory Review Committee
State Credit Union Advisory Committee
R. Wargo
M. Dunn