

**From:** [Pam Fleurette](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Comments on Notice of Proposed Rule Making Regarding Field of Membership  
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**FROM:** Sussex County Federal Credit Union, Assets \$255 million, Seaford Delaware

We applaud the NCUA's efforts to secure a future for credit unions by taking this major step in modernizing FOM rules. Our comments are as follows:

### **Congressional District**

We fully support NCUA's proposal to allow a Congressional District to be used as a WDLC. In Delaware, the entire state is one Congressional District because it truly is a community with shared interests.

We also support grandfathering existing districts should any changes occur in the future. Recently, Sussex County DE was included in the Salisbury MD MSA. We expanded our charter to include the MSA, but we were forced to give up the City of Milford. Milford is ½ in Sussex County and ½ in Kent. We've had this area since the credit union originally converted to a Community CU in 1998. We had a branch on the Kent County side. We were shocked that NCUA would not grandfather the City under the circumstances. In our opinion, changes based on redistricting should be automatically grandfathered. In other cases, such as a credit union's request for a change based on other factors, existing boundaries outside of the newly defined boundaries should be considered on a case by case basis. If it makes sense, they should be grandfathered. Hard and fast rules simply don't apply in all cases.

### **Area Adjacent to a WDLC**

We are a perfect example of the rationale for inclusion of this proposed change. We fall into a Maryland MSA. We interact with the Maryland counties in the MSA, share common interests, etc., but we also do this with the State of Delaware as a whole. We believe that NCUA should consider automatically including a certain radius around the Congressional District as it's only natural that there will be substantial interaction due to the proximity. We suggest a minimum of 10 miles. We also suggest that rules for extending beyond that point reflect the fact that MSA's exist outside of political boundaries. If there is a contiguous MSA, directly attached to the Congressional District, it should be permitted.

### **Multiple Common Bond Credit Unions**

We believe that employee based FOMs, other than TIPs, are predominately a thing of the past. The use of multiple groups is simply a tool used by Multiple Group Credit Unions to go anywhere they want without restriction while Community Credit Unions are forced to live with boundaries. Many Community Credit Unions have converted back to Multiple Group Charters simply to find relief from the restrictions and the freedom to go where they want.

If you are a TIP, you should be permitted to serve those groups regardless of location. If you are not a TIP, you should be limited to serving those groups that otherwise would fall into normal WDLC boundaries.

In Sussex County, we have community credit unions in New Jersey making indirect loans;

Pentagon freely advertises in our area; Dover FCU and Del-One FCU, both Multiple Group Charters advertise in our community without any regard to employee groups. I don't resent them for doing this, I resent the lack of reciprocity.

We're all aware that almost every federal credit union in the country has a foundation. We use ours to pick up stray people around our borders; however, most use them to go anywhere they want. It needs to be addressed, one way or the other.

### **Common Bond in General**

We believe that the entire concept of a "common bond" is archaic and that Congress should lift these unnatural restrictions on credit unions. A common bond did apply when credit unions first started, but it's simply not the case anymore. A common bond is anywhere that a credit union can reasonably serve its members. That doesn't make us less of a cooperative, and it doesn't make us more of a cooperative if artificial boundaries are imposed. We are cooperatives for many reasons, none of which include a common bond.

The banking industry has this false sense of indignity about credit unions because the ABA created it for its own purposes. I was amazed to hear how much banks "hated" credit unions when I first arrived at Sussex County FCU. Why, because of taxation? We are a cooperative!!! I don't believe I've ever seen a bank convert to a credit union to enjoy a tax-free status. Once again, an artificial common bond has nothing to do with the reality that we are a cooperative. We need to stop allowing the ABA to play this card.

Thank you for the opportunity to provide our comments. We look forward to this major step forward.

Sincerely,

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