

February 06, 2016

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

RE: Comments on Notice of Proposed Rulemaking for Field of Membership - RIN: 3133-AE31

Dear Gerald Poliquin,

February 05, 2016

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

Re: Comments on Notice of Proposed Rulemaking for Field of Membership - RIN: 3133-AE31

Dear Mr. Poliquin,

The National Credit Union Administration Board (NCUA) is proposing to amend part 701 of its rules and regulations to make revisions to the agency's chartering and field of membership manual. I am writing on behalf of Bourns Employees Federal Credit Union (BEFCU), which serves various Select Employer Groups to express support for NCUA's proposed field of membership rule.

BEFCU supports the proposed rules that would allow credit unions to serve individuals who share a common bond and that want credit union services to help them. The proposal will provide the regulatory relief required by streamlining the NCUA's chartering and FOM procedures as well as removing non-statutory constraints on FOM chartering.

SEG Contractors: BEFCU fully supports the NCUA's initiative to allow multi-SEG credit unions to serve independent contractors. All of our SEGs (42) have independent contractors who

work for them and many who have employed these independent contractors for years. However, because they are not a SEG employee, they are not eligible for membership. Explaining this to the SEGs and the independent contractors has always raised the question of fairness and whether the NCUA is trying to make independent contractors employees. Removing this barrier will not only help our credit union gain members but it will relieve a great stress point with our current SEGs.

Office/Industrial Park Tenants: BEFCU supports the NCUA's initiative to allow multi-SEG credit unions to serve the employees of an office or industrial park. Similar to the inclusion on SEG contractors, this proposed amendment will let BEFCU reach out to potential members who work in the many industrial parks where our SEGs are located.

"Reasonable Proximity" through Online Access to Services: BEFCU is a one-branch credit union but it serves members in all 50 states. The Credit Union has adopted technology as a mantra and a cost alternative to branching. BEFCU's staff is well trained in how to use our technology and, more importantly, how to teach our members to use our technology. We constantly proselytize the virtues of technology over branches to our members, SEGs and staff. As a result, we have built a strong and loyal group of members who use us all over the US. With costs constantly rising (and driving many of our small credit union counterparts out of business), this alternative allows a small credit union like us to operate and compete effectively. Therefore, we fully support the NCUA's initiative to incorporate online financial services in to the definition "service facility."

Determination of Stand-Alone Feasibility: BEFCU supports the increase to 5,000 and can support an even higher number, perhaps as high as 7,500. The costs of technology, compliance, regulatory requirements, staffing, rent, and marketing are much more than they were just a few years ago and significantly more than they were 10 years ago. The need for a large body of members to sustain a credit union's growth and income needs increases as regulations are added, cyber security grows more demanding, new online businesses threaten to take member loans and share away, and banks (and even large credit union) monetize small credit union members with services the small credit unions cannot afford to offer.

Trade, Industry or Profession (TIP) As a Single Common Bond: BEFCU supports this provision.

Other Persons Eligible for Credit Union Membership: BEFCU fully supports this provision. Any time you can have an honorably discharged veteran of any branch of the U.S. Armed included in your field of member, there should be no limitation to that person joining. These folks served and protected us; it is time for us to serve and help them—and not let regulations stop that from happening.

Thank you for the opportunity to comment on this proposed rule and for considering our views on Field of Membership. We urge the agency to approve a final rule soon so that credit unions can take advantage of the regulatory relief and field of membership flexibility in the proposed rule.

Sincerely,

Ed Casanova

CEO/President

Bourns Employees Federal Credit Union

Sincerely,

Ed Casanova
CEO
Bourns EFCU

cc: CUNA, CCUL