MID-MINNESOTA FEDERAL CREDIT UNION

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January 20, 2016

Mr. Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: NCUA Proposed Rule Revisions to the Chartering and Field of Membership Manual

Dear Mr. Poliquin:

Mid Minnesota Federal Credit Union (MMFCU) appreciates the opportunity to comment on NCUA's proposed rule changes for the Chartering and Field of Membership Manual (FOM Rule). MMFCU, with assets exceeding $280 million, is a full service credit union serving approximately 38,000 members in nine rural counties in Central Minnesota. Our services include first and second mortgage lending, as well as business services that includes business lending. MMFCU is a significant service provider in the communities that we serve.

MMFCU agrees with the NCUA regarding the need to update the FOM Rule and we are in general agreement with the proposed changes.

MMFCU is a community charter credit union that has been negatively impacted by the current rule in regard to the rural population limit of 250,000. We believe the NCUA Board understands, in general, that rural district characteristics vary little with population. MMFCU has taken its mission very seriously to improve the financial well-being of the people of Central Minnesota; however, as we have tried to fulfill this mission, we are currently prevented from bringing low-cost, needed financial services to many small rural communities because of the combined total population of the areas we serve. The changing of the current arbitrary population limit of 250,000 for rural districts is in desperate need of change in order for more rural areas of the country to be afforded credit union services. MMFCU fully supports the proposed changes in the definition of rural districts, especially the increase of the population restriction going to 1 million.

We also fully support the other changes in the FOM Rule that include improvements in the community common bond, the multiple common bond, and the Trade, Industry, or Profession (TIP) as a common bond.

With regard to using Congressional Districts to define a community common bond, we believe this is an appropriate option. Our view is that if a geographic area, based on population, can be viewed as having a commonality for having congressional representation, then that is support enough for a commonality for a community field of membership. In regard to a community common bond specific to a Core Based Statistical Area (CBSA), or any well-defined portion of a CBSA, with the retention of the 2.5 million population limit, we believe the population limit is unnecessary. Credit unions should be allowed the freedom to choose a specific segment of a CBSA or the whole CBSA. Our reasoning is that in larger cities with populations in excess of 2.5 million, residents identify themselves with the city as well as the neighborhoods in which they live. We also believe that credit unions with an expanded CBSA area would not present a higher risk as growth and specific service facilities would depend on the credit union's size and equity. To this end, we have the banking industry to look at to see that having the ability to serve a very large population base, in and of itself, does not cause undue risk to the institution or its deposit insurer. We also support the proposal to bring common sense to allowing a credit union serving a CBSA to also serve combined CBSAs and/or areas adjacent to a CBSA.

With regard to the multiple common bond rule for "reasonable proximity" through member's online access to services, MMFCU is in full support of the proposed changes. Our view is that it is appropriate for the rule to recognize electronic delivery channels as valid ways to service specific groups. MMFCU also strongly supports the allowing of inclusion of tenant businesses/individuals of office complexes and industrial parks to be included in a multiple common bond versus having to add each business/individual. This, again, we see as a common sense approach; however, we do not believe that the number of workers a company has within an office complex or industrial park should matter. In fact, we see having the fewer than 3,000 employee restriction as causing confusion to that employer's employees, when all other workers in the complex are eligible. However, we also understand that the 3,000 employee restriction may be necessary given that the Federal Credit Union Act requirements and could require Congressional action to change.

MMFCU also supports the change in the rule that would allow Honorably Discharged veterans of any branch of the United States Armed Forces listed in a credit union's common bond to continue to be eligible for membership in that credit union beyond active duty status. To us, this seems to be another way we can bring benefits to our military veterans.

We anticipate that the NCUA Board will receive many letters submitted by the for-profit sector of the banking industry and we assume they will be in opposition to the proposed FOM Rule changes. In general, we see no logical reason for opposition to the proposed FOM Rule changes and ask the NCUA Board to be careful when considering any comments that are overall in

opposition to changes in the FOM Rule. After all, allowing more citizens and legal residents of the United States more freedom of choice is always a good idea.

MMFCU again thanks the NCUA Board for the opportunity to comment on the proposed FOM Rule and appreciates that the NCUA Board has used a common sense approach toward this area of regulation.

Sincerely,

Charles D. Albrecht
President/CEO

Copy: MMFCU Board
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MMFCU Senior Management
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Credit Union National Association
Senator Amy Klobuchar
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