

February 02, 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,

I am writing on behalf of the 22,000 members of WestStar Credit Union. We are located in Las Vegas, Nevada and have had the honor of serving our members since 1975.

This letter is in regards to the NCUA's proposal 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 to express support for NCUA's proposed field of membership rule.

The proposal will help streamline and modernize the field of membership process for credit unions. Much of the proposal contains common sense updates that will help credit unions better serve their members.

This letter will focus on just a few areas that concern WestStar. The first is the inclusion of office and industrial park tenants in a multiple common bond. We strongly support this proposal as a common sense solution. It eliminates the need to approach each individual tenant to apply for membership. This will streamline and speed access to credit union services.

The question of demonstrating a strong dependency does need attention though. The very nature of the landlord/tenant relationship demonstrates the necessary dependency. The physical presence is necessary for the business to operate. This requirement would be redundant and could also be applied subjectively by different individuals. I strongly encourage the NCUA to remove this requirement from the final rule.

The second area of concern is the question of reasonable proximity through on-line services. I believe that this should be re-examined and further restrictions placed on this section of the proposal.

The NCUA has proposed "strong dependency relationships" as requirements for industrial park tenants and expansion of TIP charters. While that standard needs further review, as noted above, in the instance of an on-line only presence, how will the NCUA effectively monitor the credit unions to ensure that the expansion of service is justified based on the appropriate SEG relationships.

The proposed expansion based on online services should be allowed only if the credit union can clearly demonstrate and document that this is necessary to support a valid, approved SEG.

On the matter of the TIP charter, WestStar supports the NCUA's proposal to include vendors who support the businesses within the TIP charter. As discussed previously, the standard of strong dependency is too subjective to remain as currently written. Different examiners may have very different views on what constitutes significant economic impact. Either this needs to be clearly defined or it should be removed. In the latter case, the existence of a business relationship in and of itself would be sufficient to define a sufficient bond to allow the vendor to be eligible for credit union services.

And finally, on the topic of the threshold for stand alone feasibility, WestStar believes that it is not reasonable to expect groups of 3,001 to 5,000 to establish a new credit union. While there certainly are existing credit unions of that size today, it is hard to support the establishment of a new credit union with such a small base to build on. Given the complexity and scope of current regulations and costs to do business, it is far more feasible to

allow these groups to join existing credit unions rather than start a new credit union.

In order to give a new credit union the best opportunity to succeed, I would recommend that there be no specific limitation. Any limit placed is by definition subjective. A group of 5,000 may prosper while another group of 10,000 may fail. Let the credit union and the employer group make the decision based on what is best for that particular group of members.

Thank you for your attention to this important rule and for your efforts to improve the FOM process.

Sincerely,

Rick Schmidt  
President/CEO  
WestStar CU

cc: CUNA, CCUL