

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 Gerald 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 Louisiana Federal Credit Union, which serves over 450 select employer groups to express support for NCUA's proposed field of membership rule.

Louisiana Federal Credit Union is in support of NCUA's proposed FOM changes. Our primary service area is sandwiched between 2 major MSA's and 1 micro MSA. Currently we have 3 branches in the River Parishes and 1 branch on the North Shore of Lake Ponchartrain. The River Parishes is the hub for major industry along the Mississippi River and employees thousands of people who live in the surrounding areas. With the existing rules, if we were to apply for a community charter, we would have to open a branch in Orleans Parish (the "Core" area for the New Orleans MSA). Since Hurricane Katrina, Orleans Parish has been and continues to be declining in population and growth opportunities. It would never make good business sense for us to become a community charter credit union and be forced to open a branch located in a declining market.

Because we are physically located between 2 MSA's and also have a branch in a separate micro MSA, we have absolutely no opportunity for growth outside of our area. We have continued to sustain moderate growth through select employer groups, but we feel that this impedes our ability to offer affordable products to our potential members who may live, work or worship in the markets that we currently serve. Serving a CBSA or "core area" is not required by the Federal Credit Union Act (FCUA). NCUA should not place limitations on service areas in a statistical area, because these limitations or requirements can divide these areas into portions that do not represent a viable community or can exclude the viable portions of a community. The FCUA contains real limitations on who credit unions can serve, the NCUA should not impose an additional layer on credit unions.

We do not support the use of Congressional districts as well-defined local community because they do not represent contiguous communities in our state.

We are concerned that NCUA calculates a proposed area's concentration of facilities ratio to meet a statutory requirement that a proposed area be underserved by other depository institutions. If an area is identified as underserved, why would it matter that there are multiple financial institutions physically located in the vicinity? Our highest transaction branch is located on a boulevard with 8 other financial institutions (banks) within 2 miles. It is obvious that their locations have very little traffic or branch activity while ours is a hub of activity. Just because a financial institution may be physically located in a market does not mean that they are amply serving the community.

We also support the inclusion of office and industrial park tenants in a multiple common bond. We serve industrial park tenants and it can be burdensome to apply for separate approvals to our field of membership. Many times these tenants work closely together and support the same type of industry.

We support NCUA's proposed streamlined determination of stand-alone feasibility for groups between 3,000

and 5,000 members and would support the number being increased to 10,000. Every day we see headline stories of smaller credit unions failing. It is extremely difficult for small credit unions to survive and remain competitive in today's environment. Knowing the industry concern for small credit unions makes me wonder why NCUA would require/encourage groups of 5,000 to attempt to start a new credit union when they can most certainly be served by a credit union already in existence and doing well.

In summary, I support the changes that NCUA is considering that will allow credit unions to continue to grow and thrive. Most importantly, many of the proposed changes will allow credit unions to serve their members and existing members without creating an undue burden on any other financial service provider.

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,

Rhonda Hotard  
President/CEO  
Louisiana FCU

cc: CUNA, CCUL