

From: [Natasha Ranchigoda](#)
To: [Regulatory Comments](#)
Cc: [Lisa Otomo](#)
Subject: Western Federal Credit Union Comments on Notice of Proposed Rulemaking Regarding Associational Common Bond
Date: Friday, February 05, 2016 2:13:04 PM

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

Dear Mr. Poliquin:

On behalf of Western Federal Credit Union, I am writing regarding the National Credit Union Administration's (NCUA) proposed rule amending the Chartering and Field of Membership (FOM) Manual, incorporated as Appendix B to part 701.

We appreciate the NCUA's initiative in this rulemaking to provide meaningful regulatory relief to credit unions, and welcome the opportunity to provide comments on this proposal. The credit union industry has long advocated for FOM reform. We value the NCUA Board's support for modernizing the agency's FOM regulations, increasing consumer financial choice, and working to ensure that the federal charter remains viable for the future.

We, along with many of our peers, believe that the NCUA's current FOM Rules and Regulations unnecessarily inhibit a credit union's ability to serve communities and other consumers who want and need affordable financial services. While we acknowledge that legislation is necessary to resolve certain limitations of FOM rules, we support the NCUA's efforts toward regulatory relief by streamlining its FOM procedures as well as removing certain non-statutory constraints on FOM chartering and expansion. The proposed changes will simplify credit union expansion decisions and move us closer to parity with FOM regulations for many state chartered credit unions.

In particular, Western Federal Credit Union supports the proposed amendment to remove the core area service requirement. We do not believe limitations should be placed on service areas based on a statistical area. This requirement can divide these areas into portions that do not represent a viable community and/or exclude the actual viable portions within a community. Eliminating this requirement would provide much needed flexibility to offer consumers additional access to credit union services in areas spanning beyond a single county that have not been designated as local or do not meet the rural district requirements.

We further support the ability to qualify both a portion of a core based statistical area (CBSA) and a combined statistical area (CSA) designated by the Office of Management and Budget as a well-defined local community. These proposed amendments are a natural representation of a well-defined local community, and

would create added competition and choice that will only benefit consumers in the financial services marketplace.

Western Federal Credit Union endorses the NCUA's proposal to increase the population determining a Rural District to 1 million people as well as the allowance to serve a contiguous area outside of a CBSA, CSA, Single Political Jurisdiction or Rural District. We believe these changes would enable our credit union to better serve our communities as well as increase consumer participation in federally chartered credit unions.

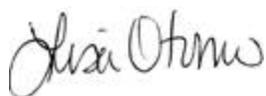
Western Federal Credit Union also supports the NCUA's initiative to allow multi-SEG credit unions to serve independent contractors, along with the ability to allow multi-SEG credit unions to serve employees of an office or industrial park tenant. Both these proposed amendments will allow multi-SEG credit unions to reach potential members who want and need affordable financial services.

Last, given the explosive growth in technology and digital communications platforms as critical member service channels, Western Federal Union commends the NCUA's initiative to incorporate online financial services into the definition of "service facility" to demonstrate reasonable proximity to a group. Credit union members can clearly form a cohesive bond and be connected to their credit union, developing common loyalties, mutual benefits and shared interests, regardless of geographic restriction. We strongly believe the internet, online banking, sophisticated ATMs and other methods should be sufficient to demonstrate a credit union's ability to serve its members.

As you are well aware, credit unions offer unparalleled financial benefits to consumers and small business owners. Easing regulatory burdens related to FOM expansion will enable more consumers to save millions of dollars each year, increase their financial security, and support the overall growth of our national economy. The NCUA's proposed amendment will strengthen the federal charter and enhance our industry's ability to serve communities and individuals in need of competitively priced financial services.

Thank you for the opportunity to comment on this proposed rule and for considering our views. We commend the NCUA for proposing these important changes, and encourage its Board to act on approving this rule that will enhance consumer access to credit unions and strengthen our industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Otomo". The signature is fluid and cursive, written in a professional style.

Lisa Otomo
Chief Marketing Officer

Western Federal Credit Union