

February 08, 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,

Thank you for the opportunity to add a voice to the NCUA Board's call for comments regarding proposed changes to the field of membership (FOM) rules.

FOM has proven to be a critical and frustrating topic in our organization. Recent headlines that further propagate the disparity between state and federal charter opportunities abound. For example, while federally chartered credit unions struggle to add "piece-meal" underserved markets in ambiguous and arbitrary areas, state chartered credit unions such as Avadian CU recently announced adding 18 counties to its membership base as a state chartered credit union – bringing their eligibility to 34 counties (http://www.al.com/business/index.ssf/2016/02/avadian_credit_union_doubles_t.html). This inequity in the industry no doubt causes pause for federally chartered shops, and it also fragments the industry as a whole. We applaud the NCUA for evaluating the interpretation of the law to work to align FOM opportunities for sustainable growth.

Why Existing Ruling Doesn't Apply to All Markets

Louisiana FCU has a particular interest in the proposed changes. The community charter options afforded to us today don't make sense in a market like Louisiana. Our credit union is nestled between two MSAs that would require us to forego serving 25% of our current market if we adopted a community charter strategy today. Further, the core area service requirement would require us to provide branching facilities in a market that is a geographical outlier to our existing market. This requirement would actually hinder the financial stability of our organization – that of which we are not willing to do. As a result, the other community options – as they stand today – are irrelevant to a unique market like south Louisiana. However, state chartered credit unions easily acquire new market share which puts Louisiana FCU at a competitive disadvantage. While we applaud the NCUA's consideration of congressional districts in the definition of "community", Louisiana FCU's market spans three districts with a single market containing 80% of our membership being split between two congressional districts by a simply highway. It is our strong opinion that further options considered in the FOM proposal be accepted and implemented.

Louisiana FCU respectfully comments on the following proposed changes:

Use of Combined Statistical Areas

Louisiana FCU welcomes this modernized approach to defining a community; however, we recommend the arbitrary population cap be removed. The number of consumers in a marketplace should have no bearing on whether or not the credit union can be considered a viable option for the consumers in that marketplace.

Authorizing of Additional Areas Adjacent to a CBSA

Louisiana FCU supports this proposal as it demonstrates the understanding of less-defined geographical areas outside of larger metropolitan cities. Louisiana FCU's local community leaders, service organizations, and Chambers of Commerce consider adjacent areas when defining communities in the New Orleans metro area. This is largely due to the fact that many consumers work in one market, but commute/live in an adjacent political jurisdiction or CBSA. We applaud the opportunity to provide a narrative with supporting documentation from economic experts noting such.

Congressional Districts

As previously stated, while Louisiana FCU applauds the NCUA considering political jurisdictions, this alone is not enough to satisfy the modernization of FOM in the industry. Louisiana FCU's 26,000 members are spread across three political jurisdictions with 80% of its members being split by a single highway in the market.

Reasonable Proximity and Definition of Service Facility

Modern technologies support revising this requirement. Louisiana FCU has dedicated a significant portion of its budget to digital strategies – recognizing the consumer's demands and behavior patterns have evolved over time. In addition, Louisiana FCU's mobile adoption rates have increased over 50% last year alone. Consumers can and are being served electronically. Evaluating the success of non-brick and mortar retail establishments such as Amazon or Zappos supports this argument without reservation.

Inclusion of SEG Contractors in MCB and Inclusion of Office/Industrial Park Tenants

As a multiple common bond credit union, Louisiana FCU fully supports the proposal to include contractors with the strong dependency relationship to the SEG. Further, allowing multiple common bond credit unions to serve any business within an office complex simply streamlines the comprehensive and time consumer process of adding SEGs today.

We applaud NCUA's willingness to champion FOM change, but recognize this doesn't come without a cost by those who object. We respectfully ask the NCUA to remember this: 75% of the 6000+ credit unions in this country have only \$100 million in assets or less. According to SNL Financial, our banking friends have over \$15.3 trillion in assets within the US. Taking a staunch objection to the FOM rules is likened to attacking a meager goldfish in the open sea. Credit Unions are not interested in destructing the banking industry. The mere disparity in asset strength and resources proves this is unfathomable. We are only interested in the opportunity to allow American consumers to have the choices they deserve.

On behalf of our board and leadership, Louisiana Federal Credit Union is appreciative to the NCUA for demonstrating an interest in hearing from America's credit unions. We strongly believe that this modernization will relieve barriers that prevent American consumers from exercising their right of free commerce in their financial decisions.

Sincerely,

Mia Perez
Chief Administrative Officer
Louisiana FCU

cc: CUNA, CCUL