



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

FEB09'16 PM 3:03 BOARD

February 1, 2016

Dear Mr. Poliquin,

I am writing this letter to comment on NCUA's proposed amendments to its Chartering and Field of Membership Manual. As the Credit Union's President and CEO, I believe that it is crucial for Quorum to have as much flexibility as the law allows to attract members.

Technology is literally shrinking the world in which we live. NCUA's proposal recognizes this reality by allowing common bond credit unions to satisfy the "reasonable proximity" requirement by ensuring member access to online banking services. The existing requirement mandating that common bond groups be within "reasonable proximity" to a physical branch made sense when branches provided the only means of completing banking transactions, but it is obsolete now that members use their computers, cell phones and tablets to do their banking.

It is important for NCUA to reconsider the criteria it uses for designating an area as underserved. Federal credit unions are responsible for serving people of modest means. Consequently, it is important that NCUA reconsider the types of institutions that are classified as providing financial services in communities that common bond credit unions are applying to serve. For example, it makes no sense that a trust company, which can't provide a full range of basic financial services, to be classified as providing financial services in a community that lacks access to banking services.

With regard to NCUA's proposal to expedite the processing of FOM applications for groups of up to 5,000 members, the emphasis of NCUA's FOM analysis should primarily be on a group's ability to form a viable credit union and not on the number of persons seeking to join a credit union. Shifting the FOM analysis from a number to more of an ability to form a viable credit union would simplify the process for large groups who may not have the ability to form a credit union of their own. For example, a group of 2,500 highly paid computer engineers might be able to form their own credit union, whereas a group of 6,000 engineering students with little income might not be able to do so.

Finally, I am also in favor of NCUA's proposal to allow honorably discharged members of the armed forces to automatically be eligible for membership in any chartered credit unions. This unique group of individuals should be allowed separate dispensation for having served our country.



I applaud NCUA's decision to reexamine its existing FOM requirements. The issue is a crucial one for the industry as a whole and I urge NCUA to finalize these amendments to help federal credit unions help consumers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bruno Sementilli". The signature is fluid and cursive, with the first name being the most prominent.

Bruno Sementilli
President & CEO
Quorum FCU
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