

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,

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 Potlatch No. 1 FCU, which serves a 5 county LICU and an additional 8 county underserved area, to express support for NCUA's proposed field of membership rule. We serve 11 counties in Northern Idaho and 2 counties in Eastern Washington. In the rural area of 13 counties we serve there are 407,273 residents and our membership total is 74,197.

We support NCUA's proposed FOM changes and especially support the Population Limit increase, the Congressional District WDLC addition, and Reinstating the Narrative Approach.

Changes in this proposed rule will allow us to serve additional underserved residents and cities in our rural area. We currently are the only local credit union in one of our underserved areas and the only financial institution of any type in another of our underserved areas. We would like to increase the ability to serve residents of several areas in our rural market that do not have credit union or even financial institution access.

According to NCUA officials and professional consulting groups we are currently unable to make changes to our FOM without dire consequences to residents of our area who need access to affordable financial services. We have been told that we cannot add any residents outside our current FOM without decreasing the population numbers in our current FOM.

We would like to extend credit union services on our rural area to cities around us without access to a local credit union and also without access to a financial institution. There are several examples of rural cities in our area that would be illustrative of our challenges. I will give 1 simple example but I could provide more.

We would like to add Garfield County, Washington to our FOM. The county population is 2,256 residents with the city of Pomeroy, Washington, population of 1,425, county seat, included in the 2,256 residents. This county is contiguous with our 5 county LICU. There is not a local credit union in Pomeroy, Washington. To achieve this, according to the NCUA officials and professional consulting groups we would have to eliminate 159,529 residents from our FOM. 407,273 less the 250,000 population limit plus the 2,256 residents of rural Garfield County, Washington.

It is very difficult not to provide service to those in need. We denied a mortgage inquiry today as Garfield County is not in our trade area which we are required to define per the NCUA. It is even more difficult to justify carving 159,529 people from our LICU and underserved areas just to add 2,256 folks and comply with NCUA Rules and Regulations. So, the residents of Garfield County, Washington have to pay the price of no local credit union access.

Allowing Congressional Districts along with the change to populations up to 1,000,000 residents would assist our needs. If all else fails, allowing us to submit a Narrative Approach proposal would at least allow us to present our case as to why we want to serve residents of our rural area by making access to credit union services

available.

The FOM needs of credit unions serving rural areas of the United States needs to be addressed by the NCUA and your proposal goes along way in meeting those needs.

We have been told by professional consulting groups, with confirmation from NCUA officials, that we would need convert to an Idaho state charter to meet our FOM needs. We know that reciprocity from Washington, Oregon and Montana is readily available and would allow us to meet our desire to serve those in need of credit union services in our rural area. If we wanted to be a state chartered credit union we could make the change easily and we would be welcomed into system that by state regulators.

Our choice is to remain a federally chartered credit union. Please consider that changes needed for rural credit unions like ours trying to serve people in need of affordable financial services.

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,

Chris Loeth  
President/CEO  
Potlatch No 1 FCU

cc: CUNA, CCUL