

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. The Tennessee Credit Union League (TCUL) supports NCUA's proposed field of membership rule for the opportunity it creates for consumers to have access to financial services. Tennessee has 150 credit unions representing over 1.9 million credit union members; however, Tennessee has over 6.5 million Tennesseans that we feel could best be served by a credit union.

The Tennessee Credit Union League believes that the proposal fits squarely within NCUA's statutory authority as set forth in the Federal Credit Union Act. It does not remove, or even alter, the statutory restrictions on credit union charters, and meets the requirement that a credit union field of membership is both "well defined" and "local."

In that context, however, NCUA has recognized changes in technology and the marketplace, and thus improved the ability of credit unions to serve consumers by updating the ways in which credit unions can demonstrate why a specific area would be "well-defined" and "local" in requesting permission to serve a new area. It is important to note that these updated definitions correspond with other federal government definitions applicable to geographic areas, specifically those employed by the Office of Management and Budget and the US Census Bureau.

There are several specific areas on which the Tennessee Credit Union League is offering comments in support of the proposed revisions to the regulation.

Core Area Service Requirement – This proposed change would allow a community chartered credit union to serve a community consisting of a portion of a Core Based Statistical Area (CBSA). A CBSA is a geographic designation created and recognized by the Office of Management and Budget (OMB) to be considered an acceptable local community. The proposed rule will allow a credit union to demonstrate through a narrative process that sufficient interactions exist between the communities being requested to qualify as a well-defined local community.

Congressional District - NCUA's proposed rule includes a provision that would allow a federal credit union to serve a single congressional district as a community. There are congressional districts that clearly would be considered a well-defined local community. Congressional districts are contiguous in land area, contain smaller populations than many SPJs, are less than the 2.5 million populations currently allowed for a CBSA, and are the ultimate "political" jurisdiction. Tennessee credit unions support the inclusion of congressional districts as a community.

Tennessee credit unions support the overall proposal to modernize FOM rules making it possible for credit unions to better manage and plan for the future.

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,

Frederick Robinson
President/CEO
Tennessee Credit Union League

cc: CUNA, CCUL