



New England Federal Credit Union

January 28, 2016

National Credit Union Administration
Mr. Gerard S. Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22134-3428

FEB05'16 PM 2:19 BOARD

Re: Comments on the Proposed Rule on Field of Membership (15-EA-20)

Dear Mr. Poliquin:

On behalf of the New England Federal Credit Union (NEFCU), I would like to offer, for the official record, our comments regarding NCUA's proposed changes to the federal community charter rules incorporated into 15-EA-20, Chartering and Field of Membership Manual. We appreciate the opportunity to provide comment for the NCUA's consideration as you work to strengthen the federal credit union charter.

As a federally chartered credit union with a community common bond, there are a number of proposed changes which we wish to provide comment to or support toward. We will focus primarily on those changes impacting community fields of membership. However, there are a few other points that warrant our comment. We will start by recognizing that NEFCU has been involved in a multi-year effort to strategically evaluate field of membership options within the credit union charter and have reviewed state regulations (Vermont) extensively. We support NCUA's efforts to bring the federal regulations up to the levels provided by many states. As in our previous letters, we will again stress that the industry benefits from a dual chartering process which continuously develops effective regulatory options for credit unions.

We have prepared our comments according to the "rule component" information provided by the NCUA:

Community Common Bond: "Core Area" Service Requirement

We recognize that there are credit unions in populated regions of the country that will benefit from the flexibility to elect to serve a portion of a Core Based Statistical Area. The industry and its members are better served when a credit union has the resources to serve this more narrow geography.

Population Limit as Applied to a Well-Defined Portion of a Core-Based Statistical Area

The ongoing use of a population limit when such a limit is not legislatively mandated continues to provide an incentive for credit unions to move to state charters. There are numerous examples, in different states, where credit unions can obtain a community charter for jurisdictions of over 2.5 million people. We urge the board to consider eliminating the population limit to make the federal charter more competitive with state charters.

Combined Statistical Area

With similar logic, it is important for the federal charter to allow for combined areas which a credit union demonstrates the ability to serve. There are many examples of such combinations which act as a community, can be served by a single credit union, and are approved by individual states. Such flexibility is an example of state chartered credit unions historically receiving broader definitions than a single statistical area under a federal charter. We support NCUA's proposed change to consider combined statistical areas.

Administrative Office:
Mailing Address:
Phone Number:
Branch Offices:

141 Harvest Lane, Williston, Vermont 05495
P.O. Box 527, Williston, Vermont 05495-0527
802-879-8790 or 800-400-8790
141 Harvest Lane, Williston, Vermont
74 Pearl Street, Essex Junction, Vermont
1000 Shelburne Road, South Burlington, Vermont
GLOBALFOUNDRIES 969, Essex Junction, Vermont
GLOBALFOUNDRIES 861, Williston, Vermont
UVM Medical Center, Main Campus, McClure 2 Connector, Burlington, Vermont
295 Tuckers Way, St. Albans, Vermont

nefcu.com

Individual Congressional District

Perhaps the most salient proposed change included with regard to NEFCU is the recognition that a congressional district is a well-defined local community. Our Credit Union expressed support for this change in 2010 during NCUA's last field of membership rule consideration. We took the position at that time and continue to support the recognition that small states, like Vermont, are a community. In addition, the average congressional district includes a population of approximately 700,000 people which is much lower than the statistical area limitation in the current rules. Vermont's Department of Financial Regulation has approved a statewide field of membership for a local credit union thereby recognizing the state as a community. Although we recognize that in more populated states the districts can be modified, the proposed methodology to grandfather geography in the case of a subsequent change is an appropriate protection. We urge NCUA to retain this proposed change in any final rule.

Rural District Defined: Multi State Expansion Limit

We support the clarification that a rural district can cross the boundary of a state which borders the state containing the federal credit union's main office. These changes provide a reasonable opportunity to expand and deliver services to contiguous geographies when combined with the proposed population limits.

Multiple Common Bond: "Reasonable Proximity" through Members' Online Access to Services

Although credit unions utilize different terminology to define remote or electronic delivery to their members, this proposed change by NCUA to consider online support of transactions as an appropriate channel to meet member needs is timely. All credit unions are challenged by the need to support more "historical" branch delivery at the same time we expand online and mobile transaction support, account opening, loan applications, remote deposit capture, bill pay, person to person transfers, etc. The ability for a credit union to utilize its investment in electronic channels to meet the needs of a new group is more efficient than an additional service facility.

We respectfully request that the same recognition of current delivery methods be the basis for credit unions to demonstrate the ability to serve broader geographies. Although there is logic to limit the use of these channels in serving an underserved area, the ability to serve other communities would be justifiable with today's technology.

We appreciate the opportunity to provide comments regarding the proposed rules and recognize the demands on the Board and staff of NCUA in drafting these proposed changes. As we noted earlier, we strongly support the NCUA Board's efforts to improve the federal charter and allow credit unions to provide solutions to members' financial needs.

Sincerely,



John J. Dwyer Jr.
President & CEO
802.879.8756
dwyer@nefcu.com