

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 (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 Direct Federal Credit Union, which serves over 26,000 members in Norfolk County, Massachusetts, to express support for NCUA's proposed field of membership rule.

Founded in 1953, Direct Federal Credit Union has become a reliable, preferred financial institution for many within Norfolk County. However, as we keep a keen eye on strategic growth and the expansion of our services within the community, we value field of membership reform as imperative in our ability to thrive in the increasingly competitive landscape of financial services.

Overall, we assess the proposed changes favorably, and applaud NCUA as many of the suggested changes are both logical and constructive.

In particular, we support the additional definitions of a well-defined local community (WDLC) that are based on the various OMB designations. We support these changes because we believe it will allow federally chartered credit unions to better serve the true "communities" in which they operate. For example, current restrictions on field of membership cause Direct Federal to turn away potential members even when these individuals attend the same social events, frequent the same cultural venues, root for the same sports team, and interact with our existing members in any number of additional, similar ways. The revised rule makes significant strides in allowing Direct Federal and other credit unions to serve all members who comprise a single, interactive, unified WDLC.

One cause for concern, however, is the arbitrary limit of 2.5 million consumers within a CBSA or any well-defined portion of a CBSA. While it is commendable that the proposal continues to allow CBSAs and portions thereof to be defined as a WDLC, and would now apply the 2.5 million limit only to the portion of the CBSA being served, the cap is problematic for metropolitan areas with higher population densities such as the Boston-Cambridge-Newton CBSA in which Direct Federal is located. A very compelling case can be made that the 4.7 million people in our CBSA are indeed a WDLC. If the 2.5 million cap is retained, and we define only a portion of our CBSA as a WDLC simply to stay below this cap, the case for community is actually weakened by the exclusion of the rest of the CBSA. We would, in essence, actually be dividing the true community in order to stay under the cap.

We respectfully ask the NCUA to raise this amount. Although a 5 million population cap would be of benefit to Direct Federal, a more global view would argue for an even higher cap to accommodate federally chartered credit unions seeking to serve even more densely populated areas throughout the country.

We appreciate the opportunity to comment on this proposal and are excited to see the changes take effect. With the exception of the population limit, we believe that the changes will strengthen Direct Federal's mission to extend our remarkable service to a growing membership, while evening the playing field with our state-chartered brethren and local banks.

Direct Federal Credit Union

Sincerely,

Joe Walsh
President & CEO
DIRECT FCU

cc: CUNA, CCUL