



Pacific Crest

FEDERAL CREDIT UNION

Where You Belong

www.pacificcrestfcu.com

January 26, 2015

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

Dear Mr. Poliquin:

Pacific Crest Federal Credit Union currently is a federally chartered, community based credit union with a low income designation. In order to have the ability to grow in the future and ensure the long-term sustainability of our credit union, we may opt to expand our field of membership to incorporate economic diversity and growth opportunities. A field of membership expansion from a community charter to a rural-district charter may provide a means to accomplish economic and geographic diversity to some degree. The rural district is defined currently as follows:

- The district has well-defined, contiguous geographic boundaries;
- More than 50% of the district's population resides in census blocks or other geographic areas that are designated as rural by the United State Census Bureau; and
- The total population of the district does not exceed the greater of 250,000 people or three percent of the population of the state in which the majority of the district is located:

or

- The district has well-defined, contiguous geographic boundaries;
- The district does not have a population density in excess of 100 people per square mile; and
- The total population of the district does not exceed the greater of 250,000 people or three percent of the population of the state in which the majority of the district is located.

The *current* definition of the rural district does not meet the expansion needs of Pacific Crest. Under the rural district field of membership of today, we could not expand into all of Siskiyou County, nor to our closest proximity Oregon counties of Jackson and Deschutes Counties because the majority of the district would be located in Oregon and the total population of the district would exceed 250,000 and would be greater than 3% of the population of Oregon or 119,107. This expansion would have been ideal for Pacific Crest as we may envision ourselves in the not too distant future.

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Using the *current* rural district parameters, the NCUA identified possible expansion options for Pacific Crest into California counties. The Agency's finding that we could expand into rural counties of California, using 3% of the State's population as a cap does not make economic sense for our credit union. The Counties in the California expansion options are very sparsely populated, and the distance and the cultural difference from our regional base would be difficult to successfully manage. The California Counties included in our options do not offer any economic advantages in terms of economic diversity or stability. Those factors are important to consider for any expansion that Pacific Crest undertakes.

Expansion into the Oregon Counties is more logical because we share geographic boundaries, trade areas, and cultural similarities. Distance proximity from our current base in Klamath Falls is manageable. There is a long history of inter-county movement of population and commerce among our current field of membership and Jackson and Deschutes Counties. Jackson and Deschutes Counties have a broader spectrum of commerce and business than our current field of membership. The strength of their economies would help to strengthen our membership base if we were to expand into those Oregon Counties. Unless the rural district population cap of 250,000 is increased to 1,000,000 and the 3% population calculation is dropped as proposed, we will not be able to accomplish this step in assuring the sustainability of Pacific Crest Federal Credit Union as a vibrant, growing federal credit union.

I am in favor of all proposed changes to the field of membership rule in support of access to credit union services by more consumers.

Thank you for the opportunity to share my views on Field of Membership. I appreciate the work that the NCUA has undertaken to propose a rule that will be advantageous to members, potential members, and our communities.

Sincerely,



Kathie Philp
President/CEO
Pacific Crest Federal Credit Union

CC: NWCUA