

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 (FOM) manual. I am writing on behalf of Commonwealth Credit Union, whose membership currently serves the Kentucky Retirement System, to express support for NCUA's proposed FOM rule.

Commonwealth Credit Union is a state-chartered credit union, but we feel strongly in the need for credit unions, both federal and state-chartered, to be able to make the best decisions for members with their charter choice. For example, the NCUA should permit FCUs that convert to a community charter to keep approved groups in their FOMs that are outside the boundaries of their new community. Credit unions should not lose previously approved select employee groups (SEGs) when converting to a community charter. Currently there are credit unions that have both community and SEGs in their FOM due to emergency mergers. This precedent should be extended to conversions so that credit unions could continue to serve and add new members from an SEG and have a community charter to best fit the needs of the credit union and members.

A vibrant dual chartering system is essential to both federal and state-chartered credit unions because it creates incentives for both the NCUA and state regulators to move toward allowing broader operating authority and impose fewer unnecessary constraints on operations. Competition between federal and state-chartered credit unions is essential to the dual chartering system.

It is not uncommon for credit unions to switch between state and federal charters. Having flexibility under either state or federal is beneficial to all credit unions.

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,

Stephen Bellas  
Chief Financial Officer  
Commonwealth CU Inc

cc: CUNA, CCUL