

BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE:** August 28, 2013
FROM: Gail W. Laster **SUBJ:** Peoples Advantage Federal Credit Union's
Director, Office of Consumer Application to expand its Community
Protection Charter

ACTION REQUESTED: Approve application for a community charter expansion for Peoples Advantage Federal Credit Union located in Petersburg, Virginia, under Section 109 of the Federal Credit Union Act and Appendix B of Part 701 of the NCUA Rules and Regulations.

DATE ACTION REQUESTED: September 12, 2013.

OTHER OFFICES CONSULTED: Office of Examination and Insurance, Region II.

VIEWS OF OTHER OFFICES CONSULTED: Concur with credit union's request to expand its community charter.

BUDGET IMPACT, IF ANY: None.

RESPONSIBLE STAFF MEMBERS: Consumer Access Analyst David Nichols and Division of Consumer Access Director Robert C. Leonard.

SUMMARY: Peoples Advantage Federal Credit Union (PFCU) was chartered in 1966 to serve Allied Signal, Inc., now known as Honeywell International. As a multiple common bond, it served approximately 50 select groups and two underserved areas. In May 2008, it converted to a community charter serving Prince George, Dinwiddie, Chesterfield, and Sussex Counties, and the cities of Petersburg, Hopewell, and Colonial Heights, Virginia.

PFCU seeks a community charter expansion to broaden its membership base and bring low-cost loans, competitive savings programs, and low/no cost financial services to the community residents. As of June 30, 2013 PFCU had assets of \$53.5 million and 7,491 members.

PFCU proposes to serve persons who live, work, worship, or attend school in, and businesses and other legal entities located in in the Richmond, VA Metropolitan Statistical Area, consisting of:

Amelia County, Caroline County, Charles City County, Chesterfield County, Cumberland County, Dinwiddie County, Goochland County, Hanover County, Henrico County, King and Queen County, King William County, Louisa County, New Kent County, Powhatan County, Prince George County, Sussex County, Colonial Heights city, Hopewell city, Petersburg city, and Richmond city.

The area has a population in excess of 1,000,000; therefore, NCUA Board approval is required under Delegated Authority CHA 3A.

PFCU's application meets NCUA requirements to expand its community charter. As required by IRPS 10-1, the area meets NCUA's definition of a well-defined local community because it is a Metropolitan Statistical Area (MSA) in its entirety with a population of 2.5 million or less. The city of Richmond is the MSA's principal city.

PFCU's business plan addresses the required elements for community conversions and expansions discussed in Letter to FCUs, 11-FCU-03. The credit union has a history of solid financial performance and capable management. It has the infrastructure to serve the community through proprietary branches, shared branches, and electronic access. In addition, its comprehensive products and services are well-suited for the various demographic groups in the community.

RECOMMENDED ACTION: Approve the application to expand community charter for Peoples Advantage Federal Credit Union.

Attachments