



National Credit Union Administration
Office of General Counsel

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: July 24, 2020

FROM: Office of General Counsel

SUBJ: Part 701, Chartering and
Field of Membership

ACTION REQUESTED: Board approval to issue the attached final rule regarding the Chartering and Field of Membership Manual.

DATE ACTION REQUESTED: July 30, 2020.

OTHER OFFICES CONSULTED: Office of Credit Union Resources and Expansion.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Ian Marenga, Associate General Counsel; Marvin Shaw, Staff Attorney; Susan Ryan, Director, Office of Consumer Access.

SUMMARY: The final rule amends the Board's chartering and field of membership (FOM) rules with respect to applicants for a community charter approval, expansion, or conversion. Specifically, the rule re-adopts a provision to allow an applicant to designate a Combined Statistical Area (CSA), or an individual, contiguous portion thereof, as a well-defined local community (WDLC), provided that the chosen area has a population of 2.5 million or less. Separately, in accordance with an August 2019 opinion and order issued by the D.C. Circuit Court of Appeals with respect to communities based on a Core-Based Statistical Area (CBSA) or a portion thereof, the rule provides further explanation and support for the elimination of the requirement to serve the CBSA's core area, as provided for in a 2016 final rule. The rule also clarifies existing requirements and adds an explicit provision to the FOM rules to address concerns about potential discrimination in the FOM selection process for CSAs and CBSAs.

RECOMMENDED ACTION: Recommend the Board approve publication of the final rule in the *Federal Register*.

ATTACHMENT: Final rule.