

From: [Ron Ehrenreich](#)
To: [Regulatory Comments](#)
Subject: Ron Ehrenreich -- Comment on Notice of Proposed Rulemaking for Part 701
Date: Monday, January 13, 2014 3:01:00 PM

I think that the proposed rulemaking for Part 701 on Requirements for Contacts with Federal Credit Unions is a rule that is not needed, is detrimental to small credit unions, and could hinder the future development of the credit union movement.

The rule proposed seems to be based on anecdotal characterization of home offices, with no research on the topic presented, nor any evidence considered for the positive value of home offices. It also seems to be rooted in a snapshot of the credit union movement right now, and not at any other time when new credit unions may be springing up to meet unmet community needs.

Our credit union was formed in 1982. We had an office in my home until 1994. Serving a low income community, we were started with contributions of \$30 and pledges of \$30,000 in deposits. We did have a "public office" in a donated 5' by 6' space under a solar panel (steeply sloping ceiling) on the back porch of a small food co-op. All loans interviews and closings, all meetings of the board, and most meetings of the credit committee met in my home, some of the work of our examiner as well as all joint conferences with NCUA took place in my home.

Just to counter some of the anecdotes and stereotypes presented to justify the rule. My home had an alarm system ten years before our public office. My home had air conditioning twelve years before our public office. And it was handicapped accessible nine years before the public office. We had fireproof files in both offices.

NCUA is not imaging how difficult it is to start a credit union from scratch. Getting to a size that would enable renting or buying a public office space is a challenge that can be helped by having a home office. This is especially true in urban areas where public space is at a premium, or rural areas where none may be available, or in church based CUs where space is not provided at the church.

What if a movement, like the Occupy movement, instead of focusing on "move your money", focused instead on starting a credit union in your neighborhood. This rule would prohibit the promotion of new credit unions.

Ditch the rule, or failing that, give new credit unions 12 years to meet it.

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