



6705 Sugarloaf Parkway, Suite 200
Duluth, GA 30097
(770) 476-9625 • (800) 768-4282 • (770) 497-9534 (Fax)



January 23, 2014

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

RE: Comments on Notice of Proposed Rulemaking to amend Part 701 – Home Based Credit Union Rule

Dear Mr. Poliquin,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the Notice of Proposed Rule making to amend Part 701 – Home Based Credit Union Rule. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 138 Georgia credit unions that have over 1.9 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

Georgia credit unions do not support the requirement for home-based federal credit unions (FCU) to obtain space other than a residence to operate. The requirement for a public space (at least a permanent location) would take away from the advantages of operating in a hybrid/online arrangement. With the current technology, access to CU records and systems from any location, permanent or temporary, is not only possible but is currently being done routinely across the country.

Georgia credit unions don't agree that transporting confidential credit union documents to another location is in the best interests of the credit union. However, if the primary concern for an "alternative public location" is examiner safety and the final rule is passed, we believe that NCUA should provide a location to meet with credit union officials that will allow the credit union to prepare/setup for the examination. One example might be to arrange, in advance, a space at a local credit union (larger credit unions would most gladly accommodate that arrangement.) The NCUA /State could also provide an advanced checklist of all exam required documents and materials required from the credit union.

If this rule is not made final and federal credit unions are permitted to continue operating from home-based locations, we do not believe that separate requirements for storage and security of records for home-based credit unions would be necessary. Many records can and would be stored electronically. If the rule is passed, we feel that there would need to be specific rules allowing accumulation of certain documents like receipts, loan documents, and other signature based documents allowed at the home-based credit union. All credit unions, including home-based,

should be using fire-safe, lockable cabinets. (For a home-based credit union, evidence for using such cabinets could be verified by a simple cell phone picture of the record storage).

We do feel that having a home-based FCU maintain and monitor an email address or a telephone number (but not both) exclusively for the FCU's business purposes would be an acceptable requirement.

If NCUA does pass this rule, we anticipate that two years may not be enough time for a small, home-based credit union to plan, budget, find a new location, move, etc. We would like to see the two-year timeline extended to three to five years.

We do not agree with applying this rule to federally-insured state chartered credit unions. State regulators should be allowed to make their own determinations regarding home-based credit unions. Many credit unions started out in a home-based environment. We don't want to this new rule to prohibit small credit unions from forming or inhibit the small credit unions that it may affect now.

NCUA has stated that this rule may only affect approximately 95 credit unions, but this new rule could cause all of these credit unions to shut down or be merged into other credit unions. We don't want to see that happen. We don't want to lose even one credit union.

GCUL appreciates the opportunity to present comments on behalf of Georgia's credit unions. Thank you for your consideration. If you have questions about our comments, please contact Selina Gambrell or Cindy Connelly at (770) 476-9625.

Respectfully submitted,

A handwritten signature in cursive script that reads "Selina M. Gambrell". The ink is dark and the signature is fluid and legible.

Selina M. Gambrell

Compliance Specialist