



June 30, 2014

Mr. Gerard Poliquin
Secretary to the NCUA Board
1775 Duke Street
Alexandria, VA 22314

Re: Comments on Proposed Rule: Associational Common Bond Requirements

Mr. Poliquin:

On behalf of Mountain America Federal Credit Union, I am providing the following comment letter regarding the National Credit Union Administration (NCUA) on Associational Common Bond Requirements. Mountain America is located in West Jordan, Utah, and we serve multiple employer groups and associations in Utah and four contiguous states with a membership of 465,000 and assets of \$3.9 billion.

We very much appreciate the opportunity to provide our thoughts on this regulatory proposal. We desire to express some of our concerns about the potential negative impact of the proposed rule on credit unions—if finalized in its current form. It is our hope that you will consider our suggestions for improving the rule as you move forward in the rulemaking process.

We suggest the following changes to the proposed rule:

1. Reconsider the necessity of the rule
2. Addition of automatic approvals for other association types
3. Update of service areas

Rule Necessity

A new rule is not necessary. The current rules, if properly enforced, will adequately address the concerns the NCUA is trying to address in this proposed regulation.

In a time of many complex issues and increasing regulation, the NCUA has been very active in creating new rules for credit unions. The NCUA has the opportunity to make it easier for credit unions. This proposed rule is another burdensome rule hidden behind a few exceptions to add specific associations like churches and homeowners associations on a streamlined basis.

The experience of Mountain America over the past few months has been enhanced scrutiny on all attempts to add legitimate and long-standing associations such as parent-teacher associations. Based on our experience, we fear what the full rule will cause credit unions.

Additional Association Types

We support the elimination of regulatory paperwork and processes of any type. The ability to automatically approve certain types of associations is appreciated and can be offered without a complex new rule. A few additions to the automatic approvals would be appreciated.

1. Local Chamber and Rotary Affiliates
2. Parent-Teacher Associations

These groups have a strong social purpose and long-standing support of those involved with them. They generally require annual fees and have regular activities to support their social purposes.

Update of Service Areas

Technology has changed dramatically over the past few years and continues to change at an alarming pace. The proposed regulation appears to have overlooked that fact completely in the determination of proximity or service area. While geographic limitations are not always written into the rules, in many instances geography is implied in application of the rules. The idea that a service area is 25 miles is completely out of touch with the reality we face today.

We must also recognize the differences within the membership. While branches are valuable to some, others have no need or desire to ever use a physical branch facility. We live in a time when branches are becoming increasingly irrelevant to providing services to members. The internet, mobile devices, and telephone service centers better serve a mobile and diverse society.

We would respectfully ask that any reference to proximity or service area be modified to address the changing world we now live in.

Thank you for the opportunity to comment on this proposed regulation. We support any effort to eliminate regulatory burdens on credit unions and streamline regulatory process. The automatic approval of certain types of associations would be welcome if it came without strings attached. We fear that the end result of the regulation will be more paperwork, more time for approvals, and additional regulatory hurdles. We respectfully encourage the NCUA to consider some of the recommended improvements to the proposal contained herein.

If I can be a source of any further information on this comment letter, please contact me.

Sincerely,


Sterling Nielsen
President/CEO