



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

Sent via E-mail to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: Cornerstone Credit Union League Comments on Proposed Rule: Associational Common Bond and Field of Membership Requirements

Dear Mr. Poliquin:

This letter represents the views of the Cornerstone Credit Union League ["Cornerstone"] regarding NCUA's proposal on Associational Common Bond and Field of Membership Requirements ["FOM"]. Cornerstone is the official trade association serving 557 federal and state credit unions in Arkansas, Oklahoma, and Texas combined, and more than 8.5 million credit union members. Cornerstone appreciates the opportunity to comment on this very important issue.

Cornerstone supports several provisions of the proposal but also urges NCUA to look for ways to expand field of membership so that credit unions can better serve their communities.

*Grandfathering Existing Associations*

Cornerstone supports the NCUA's proposal to grandfather in existing associations. We feel that this provision will provide an element of security to our credit unions, and should extend to all current associations. Many of these associations have existed for decades, and the benefit of credit union membership is a known and marketed benefit for these associations. The concept of "once a member, always a member" should be applied to associations within the field of membership. Credit unions and affiliated associations should continue these relationships unfettered by any de novo scrutiny.

NCUA suggests that despite grandfathering existing associations, an association could be subject to removal in response to complaints. Cornerstone opposes any effort to remove an existing association from a credit union's field of membership. Once an association is approved, it should remain a part of a credit union's FOM.

*Automatic Approval of Certain Associations*

Cornerstone supports NCUA's proposal to automatically approve certain associations (churches, labor unions, alumni associations, electric cooperatives, etc.), as well as automatic approval for associations that have "a mission based on preserving or furthering the culture of a particular national or ethnic origin." Many of these associations form the bedrock of credit union membership, especially of smaller credit unions, and expansions into these areas should continue without additional scrutiny. Cornerstone feels that NCUA should consider automatically including additional service organizations, charitable foundations, and employee groups as well. These organizations serve the public good, and further the credit union mission.

Cornerstone recommends that NCUA improve the proposal by addition provisions permitting preapproved groups to be added without going through the rulemaking process.

*Expanding FOM*

Cornerstone reveres the unique nature of credit unions, including field of membership bonds, just one aspect that makes credit unions stand apart from other financial institutions. However, we oppose any additional regulatory actions to further restrict field of membership. We are concerned that some aspects of this proposal may impose restrictions that would harm credit unions and existing associations, while limiting the ability to legitimately expand credit union membership.

Cornerstone does not support the threshold requirement as proposed. We suggest that NCUA amend the proposal to change the threshold from “primarily” to “solely”. If an association can demonstrate an independent purpose for formation it should meet the threshold review.

*Geographic Limitations*

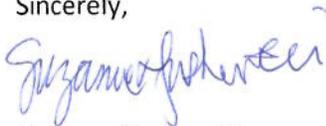
Cornerstone opposes consideration of geographic limitations tied to associational FOMs. With the development of electronic delivery methods for financial services, geography, location, and physical branches become less important.

*Summary*

In summary, we appreciate the NCUA’s proposal to protect credit unions by preserving a healthy marketplace for financial services. We ask that the NCUA exercise caution in how it applies any new standards, such that they do not unduly restrict the ability for credit unions to lawfully expand, or threaten the associations to which credit unions currently offer services.

Thank you for the opportunity to comment on this very important issue. Please feel free to contact me at 512-853-8516 or [syashewski@cornerstoneleague.coop](mailto:syashewski@cornerstoneleague.coop) with any questions you may have.

Sincerely,



Suzanne Yashewski

SVP Regulatory Compliance Counsel

Cornerstone Credit Union League