

**From:** [Tim Garner](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Tim Garner Comments on Notice of Proposed Rulemaking Regarding Chartering and Field of Membership Manual  
**Date:** Tuesday, December 29, 2015 12:46:29 PM

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December 29, 2015

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

Re: 12 CFR Part 701 – Chartering and Field of Membership Manual; Proposed Rule

Dear Mr. Poliquin:

I am the Senior Vice President of Marketing and Strategy at Digital Federal Credit Union (DCU) in Massachusetts. I appreciate the opportunity to comment on proposed changes to the Chartering and Field of Membership Manual regulations. I want to express my gratitude for the effort NCUA is making to modernize the Chartering and Field of Membership Manual.

In general, I would like to express my support for the changes proposed across the board, though many of the changes are unlikely to directly impact DCU's operations. There are a few specific changes I would like to comment upon.

Core Area Local Community Population Limit – The proposed rule talks about a population limit of 2.5 million for a community charter. Because of the continually rising cost and complexity of operating a competitive credit union, I believe the scale a credit union needs to survive and thrive for its members is continually increasing. I believe a community credit union should be able to draw from a larger community of 3.5 to 4 million so they can remain viable over the long term. I could see a compromise being that an established community credit union could apply for addition of adjacent areas that would take total population beyond 2.5 million.

Revised Definition of "Service Facility" to Include a Transactional Web Site – I applaud this proposed change. It is very common for consumers to apply for membership through our web site then fully use our services through our mobile and online banking sites without using one of our branches. With large numbers of DCU members already in non-branch communities due to our history, we can envision businesses operated by satisfied DCU members that would want to provide DCU access for their employees. The proposed change could make easier for us to add such groups to our charter.

Determination of Stand-Alone Feasibility of Groups Greater than 3,000 – As mentioned above, there is a continuously rising cost and complexity of operating a competitive credit union, not the least of which is hiring capable experienced leadership. For this reason, I think the minimum membership for a full-service credit union to be viable is much higher than it once was and will continue to increase. Although I have not performed a financial analysis, I think the minimum number of members needed is closer to 10,000 than the 5,000 suggested in the proposed rules. If the 50%

average adoption holds, this would suggest a group of 20,000 would be the top limit for reduced documentation. I think NCUA has accurately documented the benefits of raising the threshold.

Thank you again for the chance to share my views.

Sincerely,

Tim Garner

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**Tim Garner, CCE | Senior Vice President Marketing and Strategy**

DCU – Digital Federal Credit Union

*Banking – The DCU Way*

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