



February 1, 2016

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

On behalf of Coastal Federal Credit Union, thank you for the opportunity to comment on the proposed changes to the Chartering and Field of Membership Manual. We fully support NCUA's initiative to provide regulatory relief to credit unions by modernizing the agency's Field of Membership regulations. The NCUA should make changes that are as favorable to credit unions as the Federal Credit Union Act allows and not impose restrictions that are not required by the law.

With a Multiple Common Bond Charter serving a variety of technology focused employee groups, Coastal has always been a pioneer of utilizing technological banking products and services to provide convenience and enrich the lives of our members. We applaud the efforts of NCUA to recognize the effect technology has had on commerce and consumer behavior in amending the definition of service facility to extend it to members of select groups who have access to the credit union's products and services through an online internet channel. Today's potential members don't view the branch as a building across town but instead, they see a facility that is one click away.

Further, we fully support NCUA's proposal to allow multiple common bond credit unions to add individuals who regularly work for an entity that is under contract to the sponsor of the Select Employee Group. Several of our large SEGs including IBM and Cisco have a history of employing many contractors on a long term basis. These contractors should be allowed to enjoy the same financial benefits as their coworkers. Likewise, industrial park tenants, who want and need affordable financial services, should be allowed to join a multiple common bond credit union within the conditions described in the proposal. By allowing them to provide a letter from a leasing agent or authorized representative as proof of employment within the industrial park, NCUA makes the process easier.

In regards to stand-alone feasibility, we encourage NCUA to adopt a final rule that considers the number of actual members as opposed to potential members for the streamlined determination. Excessive regulation and compliance burden from a number of regulatory agencies have made it difficult for small credit unions to be competitive and survive over the past decade. Consumers would be better served and the credit union industry would be strengthened by allowing those groups to join an existing credit union.

We strongly agree with the proposal to give federal credit unions the ability to convert to a community charter or expand an existing community charter without having to serve the core area if electing to serve a portion of a Core Based Statistical Area. This will provide much flexibility in determining what area it can reasonably and safely serve. Though in many instances, a Core Based Statistical Area is not very large, sometimes consisting only of one or two counties. The proposal that authorizes federal credit unions to serve a community comprised of a Combined Statistical Area has the potential to be very beneficial. However, we believe the 2.5 million population cap should be removed. This number is arbitrary, is not mandated by statute, and really diminishes the possible impact of the intended relief. By removing the cap, the proposal becomes much more meaningful and significant.

Again, we thank you for the opportunity to comment and to participate in the regulatory process. We sincerely appreciate NCUA's endeavor to ease undue burdens and restrictions on credit unions' ability to provide services to consumers who are eligible for membership, especially those of modest means, who may not currently be members of a credit union.

Sincerely,

Chuck Purvis
President/CEO