

February 01, 2016

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

RE: Comments on Notice of Proposed Rulemaking for Field of Membership - RIN: 3133-AE31

Dear Gerald Poliquin,

The National Credit Union Administration Board (NCUA) is proposing to amend part 701 of its rules and regulations to make revisions to the agency's chartering and field of membership manual. I am writing on behalf of Aspire FCU, which serves multiple employer groups to express support for NCUA's proposed field of membership rule. As a select employer group based credit union I will confine my comments to only portions of the proposed rule. I had commented in greater detail when the initial rule was proposed.

The NCUA is proposing to exclude non-depository and non-community credit unions in the concentration of facilities ratio. I fully support this revision. The retail branch offices of most non-community chartered credit unions are not accessible to non-members of that specific credit union. Over the years Aspire FCU has had branch offices located in the facilities of the employer that we served. These branches were not open to the general public but were included in your calculation – to the detriment of the community that was seeking additional credit union service. Changing this calculation would more realistically determine the true availability of branch locations to the community.

The NCUA is considering changing the definition of reasonable proximity to include on-line access to services. I support this revision to the regulation for the most part, as discussed below:

- Most branch offices are financial money-losers. If a credit union actually studied the profitability of their individual branches they would find that most branches lose money. Further, today's remotely enabled services available via mobile phone, PC, ATM and plastic card allow members to transact virtually all of their financial transactions remotely in the comfort and security of their own home, at their convenience, 24 hours a day. NCUA should not be encouraging, or requiring, credit unions to throw money into the dinosaur that is a brick and mortar facility in order to expand their membership.
- My one concern here is the phrase "the website must be capable of.....disbursing loan proceeds to members." I would like clarification around the intent of this requirement. Through our on-line banking system members can e-sign loan documents and have loan proceeds deposited into their checking or savings account. For a car loan we would either mail a check to the members for delivery to the seller or wire money to the seller. Does this approach to lending meet the requirement of this capability?

I support your changes to allow the inclusion of an office park's tenants in a multiple common bond FOM and the inclusion of a SEG's contractors in the FOM. These make sense and support the employer's goals of offering credit union benefits to their affiliates, thereby making for a better work environment.

Regarding your proposed change to the determination of stand-alone feasibility for groups greater than 3,000. The determination requirement should be raised to a significantly higher number. The regulatory and compliance requirements and not to mention technological expectations of the prospective members put a significant financial burden on any start-up credit union. Without a vast pool of potential members (maybe in the range of 50,000?) the credit union's likelihood of success is very low. We've seen a number of large potential FOMs (Realtors CU for example) not come near reaching their potential. The startup costs and compliance

requirements alone drive most potential new credit unions to seek out affiliations with existing credit unions.

Further, even with a group of 20,000 potential members, with membership penetration of 60% you would only have 12,000 members – not enough to support the service expectations and compliance costs in today's environment. Finally, if the group's member were located in one specific location the number may be lower than for a group that was located all across the country. This makes it difficult to pick a number that works. But in any event it is a much larger number than 5,000 or even 10,000.

Thank you for the opportunity to comment on this proposed rule and for considering our views on Field of Membership. We urge the agency to approve a final rule soon so that credit unions can take advantage of the regulatory relief and field of membership flexibility in the proposed rule.

Sincerely,

Thomas O'Shea
President/CEO
Aspire FCU

cc: CUNA, CCUL