

January 26, 2016

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

RE: Comments on Proposed Rule, Appendix B of Part 701 – Chartering and Fields of Membership

Dear Mr. Poliquin,

As an employee of Digital Federal Credit Union I am writing to you today concerning the Proposed Chartering and Fields of Membership Manual Regulation. I applaud and appreciate the Agency willingness to consider modernizing their Field of Membership Regulations thereby allowing all Americans the choice of being served by a credit union. I thank the Agency for allowing me this opportunity to comment.

The following are the areas I would like to address.

Population Limit as Applied to a Well-Defined Portion of a CBSA. The current requirement states that CBSAs with populations that exceed 2.5 million cannot be used as a well-defined local community. The proposal would allow for a portion of a CBSA to qualify as a WDLC when the population of the CBSA as a whole exceeds 2.5 million. The provision would not allow credit unions to serve more than 2.5 million consumers, which is the current well-established limit.

While I support this provision, I strongly urge the Agency to consider expanding the population limits so that more consumers have access to the benefits of credit union membership.

Use of Combined Statistical Area. The current regulation does not allow a credit union to use a Combined Statistical Area for a WDLC. The proposal would include CSAs in the definition of a WDLC.

I support this provision as it will give credit unions in a CSA flexibility to serve members in the CSA up to the population limitation instead of being limited to a single CBSA.

Addition of an Area Adjacent to a CBSA. Currently, credit unions cannot serve areas outside of a CBSA or a single political jurisdiction. The proposal would allow a credit union to serve a contiguous area outside of a CBSA, CSA, or single political jurisdiction or rural district if that area is within the WDLC. A credit union would be required to demonstrate in a written narrative the interaction or common interests for the proposed expanded community as a whole, when seeking to add an area adjacent to a CBSA. This expanded community would be subject to the proposed population limits for community charter of 2.5 million and rural district charter of 1 million.

I support this provision but suggest the Agency expand the narrative approach which would be helpful when other well-defined communities do not adequately encompass a community. An expanded approach allows the credit union to describe why specific NCUA requirements to determine a community have not completely captured a community.

Reasonable Proximity through Members' Online Access to Services. "Reasonable proximity" under the current regulation requires the establishment of a "service facility" including a branch, a shared branch, a mobile branch with weekly visitations, and a credit union owned electronic facility. The proposal would amend this definition to allow for modern technology to be utilized in determining whether "Service Facility" is present for purposes of demonstrating reasonable proximity to a group, including access through an online internet channel such as a transactional website or mobile platform.

I support this provision as it indicates the recognition that modern technological banking applications provide consumers with convenient access to credit union services without being in close proximity to a branch or a mobile branch.

Inclusion of "Strong Dependency" Vendors and Suppliers in TIP Definition. Existing regulation recognizes a single occupational common bond between a SEG sponsor's own employees and those of its contractors, provided there is a strong dependency relationship between the sponsor and the contractor. The proposal would expand the TIP definition to include employees of entities that have a strong dependency relationship with, and whose employees work directly with employees of, other entities within the same industry. A close relationship and significant economic dependency between parties where one part would have a difficult time surviving without the other.

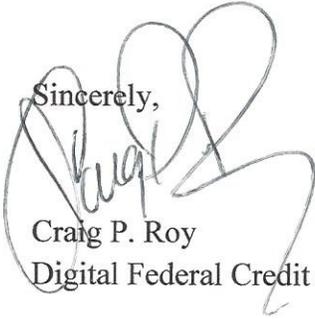
I support this provision but suggest the Agency consider expanding this to be applicable to multiple common bond credit unions as well. Both single-SEG and multiple common bond credit unions may serve one or more entities that employ contractors who regularly work with the entity's employees and have common interactions and interests with the main entity itself. Expanding field of membership to include individuals who regularly interact with the credit union through employees and members is sensible and sound.

Other Persons Eligible for Credit Union Membership. The proposal would allow a credit union to include within its common bond those who have been honorably discharged as a veteran of any branch of the U.S. Armed Forces within its affinity groups.

I support this provision and strongly urge the Agency to support our veterans and that of their affinity groups.

In closing, I do believe that modernizing the Chartering and Field of Memberships Regulation will not only allow consumer's access to credit union membership but will also strengthen the Federal Credit Union Charter and at the same time support the continuation of a dual chartering system.

Sincerely,



Craig P. Roy

Digital Federal Credit Union