



FEB09'16 PM 3:12 BOARD

February 4, 2016

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

Re: Comments on Proposed Rule: 12 CFR Part 701, Chartering and Field of Membership Manual

Dear Mr. Poliquin:

Thank for your consideration regarding our formal comments from (CU Name) on the National Credit Union Administration's ("NCUA") recent proposed rule, 12 CFR Part 701, Chartering and Field of Membership Manual, as published in the Federal Register. We appreciate the opportunity to share our support, and recommendations regarding the Proposed Rule with the Agency.

FedChoice Federal Credit Union is a financial institution which represents over 24,000 members across the region.

We commend and are fully supportive of the NCUA's proposed rules but would like to focus in on a few areas of particular interest:

- 1. Use of Combined Statistical Area – Would include Combined Statistical Areas in the definition of a WDLC.** NCUA's current regulation does not allow a credit union to use a Combined Statistical Area (CSA) for a WDLC, regardless of population.

A CSA is defined by the Census Bureau as consisting of two or more adjacent CBSAs that have substantial employment interchange. The CBSAs that combine to create a CSA retain separate identities within the larger CSA. A CSA goes beyond the concept of a CBSA and yet is constituted by a combination of CBSAs. Additionally the Census Bureau requirement for substantial employment interchange further substantiates commonality.

An example of a CSA is the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA Combined Statistical Area as defined by the Office of Management and Budget (OMB). This

area is comprised of two MSAs and some smaller urban areas with strong community ties. There are strong community ties throughout the areas that are not adequately captured by one of the CBSAs.

FedChoice strongly supports the NCUA's proposal to allow CSAs to be used as a WDLC. CSAs are comprised of statistical areas with close community ties and naturally represent a WDLC even better than CBSA.

- 2. Inclusion of Select Employee Group (SEG) Contractors in a Multiple Common Bond and Inclusion of Office or Industrial Park Tenants in A Multiple Common Bond -** Would allow multiple common bond credit unions to include as a Select Employee Group the employees of a park's tenants in the FOM within certain limitations.

Although FedChoice currently does not have a SEG-based charter, we are headquartered in the Washington Business Park in Lanham, Maryland and strongly support the ability to add contractors of a multiple SEG sponsor and employees of an office building or complex as a separate SEG.

- 3. Reasonable Proximity through Members' Online Access to Services –** Would allow for modern technology to be utilized in determining whether "Service Facility" is present for purposes of demonstrating reasonable proximity to a group.

FedChoice supports the expansion of the definition of "Service Facility" to demonstrate reasonable proximity to a group.

- 4. Trade, Industry or Profession (TIP) As a Single Common Bond –** This provision expands the definition of a TIP charter 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.

FedChoice operates under a TIP charter that allows us to serve the Federal (civilian) government "community" so we strongly support this provision as it will allow us to serve vendors, contractors, or other groups closely associated with the Federal government, even though the group might not technically fall under the express category of the TIP charter.

My only concern is how FedChoice will be able to demonstrate the "strong dependency" between the Federal government and their vendors and suppliers. The test requires a showing of the likelihood of a significant economic impact on either or both parties if one were unable to continue in its operations without doing business with the other. Needless to say, the Federal government would never be overly dependent on any contractor and many federal contractors serve both the public and private sector. Therefore, I would like to request this test be revised to not require such a strict economic impact analysis and/or measurement of dependency on the Federal government to serve these contractors.

- 5. Other Persons Eligible for Credit Union Membership** - Would include those who have been honorably discharged as a veteran of any branch of the U.S. Armed Forces to be included in the affinity groups and include them within its common bond. Although this provision would not benefit FedChoice, we certainly support honoring the service of the Veterans of the United States Armed Forces.

Conclusion

The overwhelmingly positive rule changes put forth by the NCUA will give credit unions in Maryland and District of Columbia as well as nationally the ability to more fully operate and compete and serve member-consumers in a safe and sound manner and provide competitive products and services to the benefit of their respective members and institutions.

We are fully supportive of the NCUA's proposed rules on FOM and we hope our comments will be respectfully reviewed and considered as the final rules are formulated in the near future.

Thank you for the opportunity to comment on the Proposed Rule. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D E Bunch Jr.', with a long horizontal line extending to the right.

David E. Bunch Jr., President/CEO
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