

February 04, 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,

Kings Federal Credit Union is in support of the National Credit Union Administration (NCUA) Board's proposal to amend part 701 of its rules and regulations, making revisions to the agency's chartering and field of membership manual. While we support all of the proposed FOM changes, of particular interest to Kings Federal is the inclusion of Combined Statistical Areas and addition of an area adjacent to a well-defined local community. While still not as open as state-charter rules, it may allow us to reach adjoining communities and utilize additional marketing tools, like radio and television with greater efficiency.

Charter expansion has been a mixed blessing for smaller credit unions like Kings Federal. Because state regulators have greatly eased the requirements for state-chartered credit unions to add adjacent counties and other fields of membership, we are seeing increased competition from larger credit unions outside our community. Their lower operating costs make it difficult for us to compete on rates and fees, and shared ATM networks make our facility, their facility.

As a Federal credit union, we are currently severely limited in the areas we can serve. We have several towns within 20 miles of our branch that are in three different counties. While state-chartered credit unions can service communities within a large radius of their offices, we have been limited to stringent boundaries like our own county line. As competition increases within our own community, we need the same flexibility as state-chartered credit unions to expand our field of membership in order to thrive, as well as to serve the communities that are near our branch, but outside our county line.

We also support the NCUA proposal of a streamlined determination of stand-alone feasibility for groups between 3,000 and 5,000 members. This requirement is outdated as almost no employer, community group or association will have the expertise and resources necessary to navigate the current regulatory requirements to establish and run a credit union. The feasibility for any new financial institutions to form, bank or credit union, has been effectively eliminated in the last ten years.

In summary, we are happy that the NCUA is aware of the limitations that we face in serving the public and is willing to make some beneficial changes. We encourage the NCUA to continue to modernize the credit union charter through revisions to the field of membership manual as well as working with Congress.

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 the field of membership flexibility in the proposed rule.

Sincerely,

Jeff Bassill
Chief Executive Officer
Kings FCU

cc: CUNA, CCUL