

February 3, 2016

FEB09'16 PM 3:12 BOARD

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

Dear Mr. Poliquin:

RE: FIELD OF MEMBERSHIP PROPOSED RULE

I am providing comments in regards to the National Credit Union Administration's (NCUA) proposed rule amending the Chartering and Field of Membership (FOM) Manual, incorporated as Appendix B to part 701. The credit union industry has long advocated for FOM reform and I appreciate the NCUA Board's support on these issues.

Ascend is a \$1.8B federally chartered credit union serving over 157,000 members. Though we are incredibly sound and growing, competition is fierce and it has become increasingly difficult to remain competitive while being held to incredibly antiquated rules. The proposed rule represents a more modernized approach with consideration of changes in state laws and technology. I am hopeful the proposed amendments – once enforced – will provide much needed regulatory relief, streamline NCUA's chartering and FOM procedures, and remove many of the non-statutory constraints on FOM chartering and expansion.

Members and potential members of Ascend are spread across diverse geographic areas. However, our services are easily accessible through effective and secure technology and digital communication platforms. Adopting the use of these technologies to serve and grow our membership is a necessity in today's modern world. Technology allows us to compete effectively and I strongly support NCUA's initiative to incorporate online financial services into the definition of "service facility."

As an occupational-based credit union, it is a constant struggle to provide access to households that would benefit from membership in a not-for profit cooperative founded on principals of *people helping people*. I have drafted underserved proposals for consideration by the NCUA and the existing measurements simply are not conducive to FOM expansions. Please consider alternate metrics, such as *Home Mortgage Disclosure Act* (HMDA) data or local economic factors (i.e., poverty rates, unemployment rates, median area family income, etc.), that may improve our ability to evidence why an area is underserved.

In also believe the NCUA should only require overlap analysis and the standard application process when federal credit unions' business plans expect more than 5,000 *actual* members, rather than merely the *potential* for 5,000 members. Furthermore, I don't belief it is realistic that new, small credit unions could be formed and survive in today's complex economic environment. Navigating the myriad of regulatory restrictions make this virtually impossible for a newly formed entity without experience or capital strength.

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Again, thank you for the opportunity to comment on proposed rule changes. I appreciate the agency's willingness to amend the Chartering and FOM Manual to provide much-needed relief for our industry. I strongly support this proposal and encourage the agency's consideration of the recommendations noted above to further ease the plight of credit unions across the country.

Sincerely,

ASCEND FEDERAL CREDIT UNION



Kimberley A. York
SVP/CMO