

January 12, 2016
National Credit Union Administration
Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

JAN21 '16 PM 1:32 BOARD

RE: Comments on Proposed Rule: Field of Membership Reform; RIN 3133-AE31

Dear Gerald Poliquin,
Dear NCUA Board Members,

Carolinas Telco Federal Credit Union is a T.I.P. chartered credit union serving the Telecommunications Services Industry in North Carolina and South Carolina and we have over \$393 million in assets. We operate with 6 branch locations in North Carolina and 3 in South Carolina and are currently serving over 34,000 members.

The proposed Field of Membership changes attempts to provide credit union access to many more Americans and I am in agreement that we, as an industry, need to assist those Americans who are not credit union members with the ability to join a credit union to meet their financial goals.

Our credit union charter was limited by NCUA both geographically and occupationally when it was approved as a T.I.P. charter in 2006. While other organizations have had the opportunity to expand through various charter changes, we have continued to remain restricted.

Please allow me to make suggestions on how the Field of Membership changes neglected to fully look at the T.I.P. charter (understanding that there are only a handful of T.I.P. charters and it is not even an option on the NCUA website when searching for a credit union under the Field of Membership Type):

1. Consider allowing Associational Groups to become part of the Field of Membership, even if they are not directly sponsored by a company within the T.I.P. field of membership.
2. Consider the opportunity to add underserved or rural markets. There are some rural areas where a company is the largest employer (within the T.I.P. definition) and we would be able to serve the whole community and not just the largest employer.
3. Consider allowing mergers of different federally chartered credit union but allow them to keep and continue working their existing field of memberships (T.I.P. with a community charter for example).
4. Remove the requirement that the determination that an entity has a strong dependency within the T.I.P. field of membership must be approved, on a case by case basis, by the NCUA. This is an unnecessary hindrance and potentially a paperwork burden that puts more hurdles on T.I.P. credit unions to continue to offer credit union benefits to more consumers. A T.I.P. credit union already has a strong understanding of its industry, so the determination of strong dependency should be left to the credit union. If the requirement is to stay, then adopt the Stand-Alone Feasibility parameters to these groups, less than 3,000 streamlined processing, 3,000 – 4,999 the appropriate streamline process, and those over 5,000 full paperwork.



While I agree with many of the proposed changes, there are a few that would be indirectly detrimental to my credit union:

1. I understand the change in definition to a Core Based Statistical Area and the positive impact that it would have on many community chartered credit unions. This would continue to hinder the relationship building efforts of a T.I.P. chartered credit union, as we often hear "Well, our employees can just join XYZ Credit Union since they work in XYZ County."
2. Allowing for a community based credit union to "carve out" a piece of a CBSA with over 2.5 million in population (currently restricted) if it can be demonstrated that a Well Defined Local Community exists.

In these two examples, the large community chartered credit unions will be allowed to grow significantly larger while the credit unions focused on single or multiple common bonds will be left behind.

I applaud you for taking positive steps in adjusting the regulation, specifically:

1. Changing the T.I.P. definition to include employees of entities that have a strong dependency with entities within the T.I.P. field of membership.
2. Allowing the Congressional District as a boundary definition for community charters.
3. Expanding the population limits in the Rural definition.
4. Changing the methodology when calculating an underserved community to eliminate non-depository institutions as well as non-community credit unions.
5. Allowing for modern technology to be utilized in determining the reasonable proximity to a credit union's "service facility".

Without question, the proposed rule parameters were well thought out with the goal of expanding the opportunities for all Americans to join a credit union of their choosing. I believe that most of the proposed changes are directed at increasing the potential of Community Chartered credit unions while the "sponsored" credit unions will slowly fade away. We are looking for our credit union regulator to support the overall uniqueness of the credit union movement and different charters in order to protect and serve consumers in an ever increasing abusive financial services arena.

Thanks for your consideration.

Sincerely,



Timothy R. Myers
President/CEO
Carolinas Telco FCU