



December 9, 2016

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

RE: RIN 3133-AE31; Chartering and Field of Membership Manual – Community Common Bond

Dear Mr. Poliquin,

The Credit Union Association of the Dakotas (CUAD) appreciates the opportunity to provide feedback to the National Credit Union Administration (NCUA) regarding the Chartering and Field of Membership Manual – Community Common Bond proposed changes. To provide a brief background, the Credit Union Association of the Dakotas represents sixty-seven state and federally chartered credit unions in the states of North Dakota and South Dakota, whose assets total over \$6 billion and who have more than 450,000 members.

CUAD continues to support the NCUA's efforts to reduce the unnecessary regulatory burden to enable credit unions to provide services to consumers, particularly those of modest means. CUAD supports the NCUA's proposed amendments to the Chartering and Field of Membership Manual and believes that they will meet the NCUA's objective, "to give FCUs greater flexibility in providing services to consumers who are eligible for FCU membership, particularly those of modest means." *81 FR 78749*

CUAD supports the general use of the narrative model to seek NCUA approval to initially form, to expand, or to convert to, a community charter credit union. CUAD agrees that the "presumptive community" model does not suit every credit union's needs and therefore there may be certain regions that do not have access to credit union services. Federal Credit Unions should be permitted to submit a narrative and documentation to demonstrate that a particular community qualifies as a well-defined local community (WDLC) based on common interests or interactions among the area's residents.

Under the narrative approach, the NCUA proposes to add a new appendix to the Chartering Manual that includes thirteen narrative criteria that an FCU would need to address in the narrative it submits to NCUA to support its application to charter, expand, or convert to, a community credit union. CUAD supports and urges the NCUA to stress in its final rule that "an area need not meet all of the narrative criteria to qualify as a local community; rather, the totality of circumstances within the criteria a credit union elects to address must indicate a sufficient presence of common interests or interaction among the area's residents." *81 FR 78750*

2005 North Kavaney Dr. • Bismarck, ND 58501  
1741 S. Cleveland Avenue, Suite 304 • Sioux Falls, SD 57103  
800.279.6328 • [www.cuad.coop](http://www.cuad.coop)



CUAD also supports the NCUA proposed amendment to increase to 10 million the 2.5 million population limit that presently applies to a community consisting of a Core Based Statistical Area or Combined Statistical Area (each a “statistical area”) or other area an Federal Credit Union designates, subject to an FCU’s ability and commitment to adequately serve the area. CUAD commends the NCUA on its foresight to “anticipate and accommodate inevitable growth, to the extent permissible under the Act, in order to maximize the potential membership base available to community credit unions.” *81 FR 78751*

Finally, CUAD supports the NCUA’s proposed amendment to correct an inconsistency that currently exists in the treatment of a portion of a Core Based Statistical Area versus that of a Combined Statistical Area. A Federal Credit Union should be permitted to designate a portion of a Core Based Statistical Area as its community without regard to division boundaries.

CUAD applauds the NCUA on continuing to make positive improvements to its Chartering and Field of Membership manual. Credit unions continue to operate for the same purpose and upon the same beliefs as those credit unions did when the Federal Credit Union Act was first signed into law, namely, that the “credit union is a member-owned, democratically operated, not-for-profit organization managed by a volunteer board of directors, with the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means. The purpose of this credit union is to promote thrift among its members by affording them an opportunity to accumulate their savings and to create for them a source of credit for provident or productive purposes.” *Appendix A to 12 CFR 701, Federal Credit Union Bylaws, Article I.* All consumers should have the opportunity to join a credit union and have access to affordable products and services and CUAD fully supports the NCUA’s efforts in ensuring that this goal is met.

Thank you for this opportunity to share our comments.

Respectfully,

A handwritten signature in black ink that reads "Jeffrey Olson". The signature is written in a cursive style.

Jeffrey Olson  
CEO/President

A handwritten signature in black ink that reads "Amy Kleinschmit". The signature is written in a cursive style.

Amy Kleinschmit  
VP of Compliance