

December 9, 2016

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

**Re: 12 CFR Part 701-Comments on Notice of Proposed Rulemaking re Community  
Common Bond - RIN 3133-AE31**

Dear Mr. Poliquin:

On behalf of the 2.3 million credit union members we represent in Kansas and Missouri, the Heartland Credit Union Association (HCUA) is submitting our comments regarding the National Credit Union Administration's (NCUA) proposed field of membership (FOM) rule.

The NCUA Board proposes to amend its chartering and field of membership rules so that applicants for community charter approval, expansion or conversion would have the option to submit a narrative to establish common interests or interaction among residents of the area it proposes to serve, thus qualifying the area as a well-defined local community. This would be in lieu of a presumptive community. The Board also proposes to increase, up to 10 million, the population limit on a community consisting of a statistical area or a portion thereof. Finally, when such an area is subdivided into metropolitan divisions, the Board will permit a credit union to designate a portion of the area as its community without regard to division boundaries.

Narrative Approach

HCUA strongly supports NCUA's second proposed FOM rule which reinstates the pre-2010 narrative approach for defining a community when a community cannot be adequately defined by a statistical area or political jurisdiction. Not all communities fit into NCUA's statistical or single political jurisdiction requirements to be a well-defined local community (WDLC.) We believe NCUA's proposed addition of an area adjacent to a Core Based Statistical Area could give credit unions most of the flexibility that was lost when the narrative approach was removed from the Chartering Manual, as long as NCUA does not impose difficult requirements on its use.

HCUA also supports using the thirteen criteria detailed in the proposed rule. We feel that the totality of the circumstances test is a fair approach for determining whether a credit union has sufficiently defined a community using the criteria. We encourage the NCUA Board to ensure that staff uses the criteria and create a simplified approach for the use of the criteria to ensure that credit unions do not feel obligated to seek outside consultants when choosing to use the narrative model. Furthermore, we encourage the staff to create a model of the information that they want.

6800 College Boulevard  
Suite 300  
Overland Park, KS 66211

223 Madison Street  
Jefferson City, MO 65101

2055 Craigshire Road  
Suite 200  
Saint Louis, MO 63146

901 SW Topeka Boulevard  
Topeka, KS 66612

2544 North Maize Court  
Suite 100  
Wichita, KS 67205

## Population Limit

If the Board decides not to eliminate the population limit, HCUA supports the alternative by increasing in the population limit to 10 million. We support a 10 million population limit or a WDCL based on a statistical area or 10 million as a minimum, if there is another metric that would be even more flexible resulting in an even higher number.

There are 18 federally chartered credit unions in Kansas and 17 federally chartered credit unions in Missouri. The FOM rule's potential for increased flexibility and opportunity for growth is an important element in serving consumers in our states, and for these federally chartered credit unions. HCUA greatly appreciates the NCUA Board's action in moving forward on the field of membership issue, and for providing the opportunity for us to share our viewpoints on behalf of credit unions in Kansas and Missouri.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive style with a large initial 'B' and 'D'.

Brad Douglas  
President/CEO