

December 08, 2016

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

RE: Comments on Proposed Rulemaking Regarding Community Common Bond

Dear Mr. Gerald Poliquin,

December 08, 2016

National Credit Union Administration
c/o Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments on Field of Membership Amendments

Dear Mr. Gerald Poliquin,

I am writing on behalf of Louisiana Federal Credit Union which serves almost 500 Select Employer Groups whereby half are small businesses with less than 50 employees. We have 27,000 members and \$212 million in assets.

Louisiana FCU appreciates the opportunity to provide commentary and feedback on the field of membership modernizations recently adopted. In addition, we commend the NCUA for considering additional commentary pertaining to the current proposal that would expand field of membership even further. Specifically, we wanted to provide commentary on two areas of the proposal including the narrative approach and the population limit increase.

Complete Narrative Approach

The presumptive community model that establishes a well-defined local community (WDLC) may fit the needs of some credit unions, but it does not fit all. The current rule permitting limited use of the narrative model solely to add an adjacent area to an existing community does provide a safe harbor of sorts; however, adoption of a complete narrative approach would better allow credit unions to present solid evidence of a charter expansion when a WDLC is not present nor when an adjacent area does not adequately provide for the area the credit union seeks to serve. For example, Louisiana FCU's membership base exists in-between two major metropolitan statistical areas (MSAs), and four separate political jurisdictions. Even considering the combined statistical areas (CSAs), there are rural markets served by either MSA yet not adjacent or included in the CSA. A full narrative approach would allow credit unions in unique rural markets to provide compelling evidence of how other state and local economic organizations recognize these areas as communities – most consisting of members of modest means. Louisiana FCU supports adopting the complete narrative approach to demonstrate that the community the credit union proposes to serve qualifies as a WDLC.

Population Limit Increase to 10 Million

The proposed rule would increase to 10 million from the 2.5 million population limit that currently applies to a community consisting of a CSA or core-based statistical area (CBSA). Louisiana FCU recommends removing the population qualifier altogether should the complete narrative approach be approved. If the narrative approach provides the opportunity to substantiate and define a community, the population component becomes a moot point. The cohesion of the community would be defined in the narrative thus removing the substantiation of a population consideration.

In conclusion, Louisiana FCU supports adopting the complete narrative approach for markets as well as removing the population cap altogether. If the Board elects to not eliminate the population requirement, then we support the increase which would enable credit unions to provide competitive low-cost services to consumers who are eligible for credit union membership.

Thank you for the opportunity to comment on this Proposed Rule and for considering our views on NCUA's FOM rule.

Sincerely,

Rhonda Hotard
President/CEO
Louisiana FCU

cc: CUNA, CCUL