

Corporate Offices

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December 6, 2016

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

Dear Mr. Poliquin:

On behalf of the Board and management team of Sun East Federal Credit Union, I would like to take this opportunity to provide the following comments about the most recent Field of Membership proposed rule issued for public comment by the NCUA Board in October 2016.

We are in support of the three primary provisions of this proposed rule. And are grateful to the Board for this follow up proposal that we believe has merit.

We feel that the option regarding the authorization of a narrative for a federal credit union that would like to apply to serve a well-defined local community consisting of political jurisdictions that do not fall neatly within a metropolitan statistical area (MSA) or combined statistical area (CSA), should be provided to federal credit unions.

While the responsibility will be on the credit union to make a documentable case for an interactive community following the criteria defined in the proposed rule and agree that the standards outlined are appropriate for making such a case, we feel that a federal credit union should be able to make its narrative case to NCUA. We also feel that in making its case, the credit union should show that it has the ability to serve such a community from an operational stand point and a genuine desire for offering its lower cost financial services to that community. In addition, a credit union should develop a well thought and actionable business plan as to how it will offer its services to the community. Needless to say, a credit union should also demonstrate the financial strength to do so.



Deposits Insured up to \$500,000

\$250,000 by the National Credit Union Administration, a U.S. Government Agency, and \$250,000 by ESI, a licensed property and casualty insurer. ESI is not a government agency.

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We do not believe that the definition of a community should be based upon an arbitrary population cap. While the proposed rule increases the population cap for a community charter we fail to see the necessity of a population cap at all.

Either a community qualifies as an interactive and well-defined local community or it does not. If it does, a federal credit union should be able to serve it if the credit union has demonstrated the financial and operational ability to do so and has a sound business plan to deliver its services to the entire community. If it does not, it should not qualify. Population size should not be the determining factor.

In response to your request for comments on the ten questions raised in the proposal, we respectfully recommend the removal of population caps in their entirety. The determining factors for a well- defined local community should be the documentation of the interaction standard either through the defined MSA and CSA status as outlined in the FOM rule approved in October 2016 or through the narrative process as outlined in this proposed rule.

Additionally, the provision to permit a credit union to designate a portion of a CBSA as its community without regard to division boundaries certainly makes sense and is consistent with the earlier FOM rules approved by the NCUA Board.

We appreciate the opportunity to express our views on this proposed rule. If we can provide additional information in support of our comments, please do not hesitate to contact us.

Sincerely,



Michael J. Kaczenski
President & CEO

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