

From: [Donna LoStocco](#)
To: [Regulatory Comments](#)
Cc: [Donna LoStocco](#)
Subject: NCUA's FOM proposed rule - comments from First Commonwealth FCU in Bethlehem PA
Date: Friday, December 09, 2016 4:19:42 PM
Attachments: [image001.png](#)
[image003.png](#)

Dear NCUA,

Thank you for the opportunity to comment on the most recent field of membership proposed rule.

Our comments are as follows – please do not hesitate to call 610-997-6366 or email dlostocco@firstcomcu.org if you have questions.

1) Allowing the narrative approach to create a new well-defined local community (WDLC)

First Commonwealth would support the narrative approach to creating a new WDLC. I'll use an example to illustrate why the narrative approach should be an option open to credit union leaders who are considering a community charter.

Every responsible credit union leadership team considers all possible options to facilitate future credit union member and asset growth. First Commonwealth is no exception. First Commonwealth (FCFCU) has \$635 million in assets, currently has a SEG charter and six branches throughout Lehigh, Carbon, Northampton and Berks counties in Pennsylvania. Under the current community charter rules FCFCU would need to take the Allentown-Bethlehem-Easton (ABE) metropolitan statistical area (MSA), which covers Lehigh, Carbon, and Northampton PA counties as well as Warren County NJ, as its community. Therefore if FCFCU converted to a community charter, we would have to eliminate service to all of Berks County (see map below), a rural county which is currently served via our Kutztown branch along with our online banking access option. Today, Berks County is part of the Reading MSA.



Using the narrative approach I believe FCFCU could make a solid case for including Berks county along with Carbon, Lehigh, Northampton and Warren counties as a WDLC, using nine (highlighted) of the thirteen criteria NCUA has suggested as options for demonstrating a sufficient level of interaction or common interests within an area.

- (1) Presence of a Central Economic Hub
- (2) Community-wide Quasi-Governmental Agency Services
- (3) **Governmental Designations With Community**
- (4) Shared Public Services and Facilities
- (5) **Hospitals and Major Medical Facility Services**
- (6) **College and University Enrollment**
- (7) Multi-Jurisdictional Mutual Aid Agreements
- (8) **Organizations' and Clubs' Membership and Services**
- (9) **Newspaper Subscriptions**
- (10) **Attendance at Entertainment and Sporting Events**
- (11) **Local Television and Radio Audiences**
- (12) **Community-wide Shopping Patterns**
- (13) **Geographical Isolation**

Adding the narrative approach as an option to describe a WDLC would allow FCFCU to consider a community charter as a possible future method to spur growth potential and increase the likelihood of FCFCU remaining financially sound into the future. Therefore FCFCU applauds NCUA's suggestion to allow the narrative approach to describing a new WDLC.

2) Raise the current population cap for a WDLC from 2.5 million to 10 million

To respond to this question we looked at the populations of Pennsylvania's largest cities:

PA Major Cities

Name	Population Estimate (E) 2015-07-01
1 Philadelphia	1,567,442
2 Pittsburgh	304,391
3 Allentown	120,207
4 Erie	99,475
5 Reading	87,879
6 Scranton	77,118
7 Bethlehem	74,892
8 Lancaster	59,339

As you can see none approach the 2.5 million cap. Therefore any credit union considering

a community that includes these cities could also include several suburban areas surrounding these cities in its proposed community, and still not bump up against the 2.5 million cap.

Conversely FCFCU has a potential membership (800+ SEGs plus three underserved areas) of only about 350,000 people. Therefore a community of 2.5 million would be sufficient into the foreseeable future to fuel our member growth needs. Therefore we would not support increasing the population cap from 2.5 million to 10 million.

- 3) Correct an error in the final rule that inadvertently restricts fields of membership inside core-based statistical areas to not more than 2.5 million people in a metropolitan division, rather than the core-based statistical area.

FCFCU supports the correction of this error.

Thank you again for the opportunity to comment on this proposed FOM rule.

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