



Filed via regcomments@ncua.gov

December 09, 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:

The Illinois Credit Union League is the primary association for nearly 300 state and federally chartered credit unions throughout the State of Illinois, who in turn serve 3 million consumers. We thank you for the opportunity to comment on NCUA's current Notice of Proposed Rulemaking ("NPRM") regarding federal credit union ("FCU") community common bond requirements. The NPRM proposes to amend the chartering and field of membership rules to give FCUs the option to submit a narrative to establish common interests or interaction among residents of the area, in order to establish a well-defined local community ("WDLC"). The NPRM also proposes to increase the population limit on a community consisting of a statistical area or portion thereof to 10 million.

We support NCUA's proposed addition of the narrative model as an option for an FCU to define its community common bond. As NCUA points out, the narrative option was eliminated in 2010 and FCUs had to rely on presumptive communities based on a single political jurisdiction ("SPJ") or a single Core Based Statistical Area as designated by the U.S. Census Bureau, or a well-defined portion thereof, subject to a 2.5 million population limit. But the community a credit union seeks to serve may not always overlap with these established statistical areas. We support allowing FCUs to choose whether to use the presumptive community model or the narrative model, according to what is best under the particular circumstances. We also support the thirteen criteria listed in the Chartering Manual as fair and relevant criteria to consider in the determination of a WDLC. FCUs should be able to submit additional factors to consider in the narrative, in order to provide FCUs with a meaningful opportunity to explain the basis for the credit union's purported WDLC.

We urge NCUA to reconsider whether a population limit is necessary for a local community other than an SPJ. As NCUA notes in the NPRM in Section II.B., an FCU's approval to serve a statistical area or other WDLC is "subject to an FCU's ability and commitment to adequately serve the area." (NPRM at p. 78751.) Since the determination is so particularized and fact-intensive, it does not seem necessary to set a population limit at the outset. The WDLC sought by the FCU will be analyzed thoroughly based on all of the facts to ensure the integrity of the FCU's safety and soundness. The population of the



WDLC certainly will be one of many factors to consider in whether the FCU is able and committed to adequately serve the area. Eliminating a cap on population will also eliminate the need to revise the cap as populations grow.

NCUA also addresses the possibility of allowing the Board to retain authority to approve a population limit in excess of the delegated ceiling. We would urge the rejection of any population limit for the reasons discussed above, but believe that allowing the discretion to approve a limit in excess of the designated ceiling is a good alternative if NCUA determines that a higher population is acceptable. Again, this flexibility allows FCUs to make their case for a particular WDLC and allows NCUA to make its determination based on all of the facts presented.

Again, we applaud NCUA's efforts to provide FCUs with the flexibility to best serve their communities.

We thank you for your time and consideration.

Sincerely,

ILLINOIS CREDIT UNION LEAGUE

Katherine Romano Schnack

By: Katherine Romano Schnack
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