

From: [Stephen Ranzini](#)
To: [Regulatory Comments](#)
Subject: Stephen Lange Ranzini Comments on Chartering and Field of Membership Proposed Rule
Date: Friday, November 22, 2019 12:20:09 PM

Dear Secretary of the Board Poliquin,

I am writing in my personal capacity in response to the National Credit Union Administration's (NCUA) proposal to amend its chartering and field of membership (FOM) rules with respect to applicants for a community charter approval, expansion, or conversion. I do not believe that the proposed framework will adequately guard against discriminatory redlining and recommends that NCUA adopt the anti-discrimination tools utilized by other federal banking agencies. In particular, credit unions should not be allowed to serve an urban area without serving the urban core. Also, if credit unions have branches in an MSA, they should be required to serve the low and moderate income census tracts in that MSA, as community banks are required to do. For example, if a field of membership includes the Detroit MSA, the city of Detroit should be served and not just the wealthier suburbs.

This is not just a theoretical problem, but an actual problem. The Michigan Bankers Association hired Northwoods University professors to study the HMDA mortgage origination data for Michigan over the past several years and the independent researchers concluded that there is substantial evidence that credit unions discriminate against low and moderate income borrowers in providing mortgage loans in Michigan. Across the entire state very few low income borrowers were provided loans by ANY credit union, while community banks provided many.

In branching, we have seen in Michigan a clear pattern of credit unions branching into wealthy towns and skipping over lower income towns. For example, recently Lake Michigan Credit Union branched into the Ann Arbor MSA for the first time by placing a branch into Ann Arbor. They do not have a branch in Ypsilanti, a community with lower income. Across the Detroit MSA, this credit union has eight branches in suburbs of Detroit but none in Detroit.

Other credit unions have branched into wealthy communities such as Grand Rapids and Traverse City, but skipped over lower income communities between those wealthy towns, where they have no branches. One of Lake Michigan Credit Union's suburban Detroit branches is in Livonia. By skipping over Ypsilanti and the other towns between Livonia and Ann Arbor, and branching into Ann Arbor, Lake Michigan Credit Union is exhibiting this same pattern.

I strongly support the credit union movement, however equally strongly believe that achieving social justice should be a core mission of credit unions and that they should serve low income individuals and communities and not just the most fortunate members of the wealthiest communities of our nation.

To reiterate, credit unions should not be allowed to serve an urban area via a community field of membership without serving the urban core and all of the low and moderate income census tracts in that MSA.

Sincerely,

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