



National Credit Union Administration  
Office of General Counsel

**BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** October 11, 2019

**FROM:** Office of General Counsel

**SUBJ:** Part 701, Chartering and  
Field of Membership

**ACTION REQUESTED:** Board approval to issue the attached proposed rule regarding the Chartering and Field of Membership Manual.

**DATE ACTION REQUESTED:** October 24, 2019.

**OTHER OFFICES CONSULTED:** Office of Credit Union Resources and Expansion.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBERS:** Michael J. McKenna, General Counsel; Ian Marena, Associate General Counsel; Marvin Shaw, Staff Attorney.

**SUMMARY:** The proposed rule would amend the Board's chartering and field of membership (FOM) rules with respect to applicants for a community charter approval, expansion, or conversion. Specifically, the proposed rule would re-adopt a provision to allow an applicant to designate a Combined Statistical Area (CSA), or an individual, contiguous portion thereof, as a well-defined local community (WDLC), provided that the chosen area has a population of 2.5 million or less. Separately, in accordance with an August 2019 opinion and order issued by the D.C. Circuit Court of Appeals with respect to communities based on a Core-Based Statistical Area (CBSA) or a portion thereof, the proposed rule provides further explanation and support for the elimination of the requirement to serve the CBSA's core area, as provided for in a 2016 final rule. The proposed rule would also clarify existing requirements and add an explicit provision to the FOM rules to address concerns about potential discrimination in the FOM selection process for CSAs and CBSAs.

**RECOMMENDED ACTION:** Recommend the Board approve publication of the proposed rule.

**ATTACHMENT:** Proposed rule.