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National Association of Federal Credit Unions | nafcu.org

Carrie R. Hunt
Executive Vice President of Government Affairs
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January 11, 2016

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Harry Reid
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: The National Credit Union Administration's Field of Membership Proposal

Dear Leader McConnell, Leader Reid, Speaker Ryan, and Leader Pelosi:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the federal interests of our nation's federally-insured credit unions, I write today to share information and insights about the National Credit Union Administration's (NCUA) recently proposed updates to their Field of Membership (FOM) rules for credit unions. I urge you to support NCUA's efforts in this regard.

NAFCU continues to hear from our members that NCUA's current FOM rules and regulations unnecessarily inhibit their ability to serve their communities. Additionally, NAFCU members believe that the federal credit union charter must keep pace with changes in state laws, technology, and the progressiveness of the financial services industry. NCUA can enact constructive regulatory relief under the agency's current authority by streamlining its chartering and FOM procedures, as well as changing its arbitrary regulatory framework. This proposal takes an important step towards modernization.

Additionally, NAFCU believes NCUA's proposal is firmly in the agency's existing legal authority. This proposal is out for a 60-day comment period and is strongly backed by many in the credit union community. We hope you will support NCUA in this effort as well by commenting on the proposal by February 8, 2016, the official comment deadline.

Some important things you should know about the proposal:

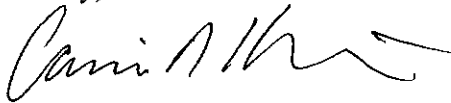
- This proposal will provide regulatory relief relative to the cumbersome charter-change process for credit unions by streamlining NCUA's chartering and FOM procedures, as well as enabling credit unions to meet the needs of more consumers.

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- This proposal represents a modernized approach to keep pace with changes in state laws, technology and the financial services industry at-large, to the extent that can be effectuated without legislative change.
- The proposal does not remove the Federal Credit Union Act's limitations on credit union charters.
- While NCUA's proposal recognizes new ways that credit unions can evidence why a particular area is "well-defined" and "local" in applying for charter changes, it must be noted that these new avenues track other federal government recognition (such as U.S. Census or OMB) of these areas. Accordingly, NCUA is merely recognizing areas that are already codified elsewhere in the federal government.
- There are still other areas of NCUA's rules that are not statutorily mandated, and which NCUA could provide further regulatory relief, such as population caps and geographical boundaries.

Thank you for the opportunity to share further information about this proposal with you. We hope you will be willing to work with NAFCU to support this regulatory proposal, as well as work with us on any future legislation that would help ensure that credit unions have viable charters. Should you have any questions or need additional information about the proposal, please feel free to contact me or NAFCU's Vice President of Legislative Affairs, Brad Thaler, at (703) 842-2204.

Sincerely,



Carrie R. Hunt
Executive Vice President of Government Affairs & General Counsel

cc: Members of the United States Senate
Members of the United States House of Representatives