

YOUNG, SHERON

From: _Regulatory Comments
Sent: Monday, February 27, 2006 8:11 AM
To: YOUNG, SHERON
Subject: FW: NCUA's Field of Membership Proposal

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Mark Schmidt
PO box 1195
Greenville, SC 29602-1195

February 24, 2006

Mary Rupp
Secretary of the Board
1775 Duke St.
Alexandria, VA 22314

Dear Mary Rupp:

Dear Ms. Rupp:

With regard to serving underserved areas, I would first recommend looking at community chartered credit unions whose geographic boundries already encompass an underserved area and see how they are servicing persons living in underserved designated areas. For those areas outside the boundries of a community chartered credit union, then I would utilize a multiple common bond credit union. I would be extremely careful in approving the addition though as this gives SEG based credit unions a competative advantage over other credit unions in that they would essentially be both SEG and community chartered because part of their membership would be from multiple common bond and part of the membership would be geographically based.

In light of my experience and observation of community chartered credit unions in the Greenville, SC area though, SEG based credit unions would probably be a better choice to take care of underserved areas. We have three community chartered credit unions here and only one has an office in a designated underserved area and that is only because the office was there prior to their conversion. All three have opened new offices and they all put them in up-scale higher income areas of the county and that is where their push is to pull in new members. None of them really seems interested in going into underserved areas. When the area here in Greenville was designated as underserved, it was in fact a credit union out of Charlotte, NC that opened an office in the underserved area. My point being that I don't believe this is a unique situation. I feel very strongly that NCUA should enact regulations similar to the banking industry's CRA for community chartered credit unions to insure they are taking care of their entire geographic area instead of "cherry picking" as is clearly the case here in Greenville, SC. This I believe would help some of the underserved areas get taken care of.

Thank you for your consideration and time reading this.

Sincerely,

Mark W. Schmidt
864-254-2847

