



26
March 7, 2006

Bradley W. Beal
President

March 7, 2006

Ms. Mary Rupp
Secretary to the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Notice of Proposed Rulemaking 12 CFR Part 701

Dear Ms. Rupp and Members of the NCUA Board:

Thank you for this opportunity to comment on non-multi sponsor credit unions providing service to underserved areas.

Nevada Federal Credit Union is a community credit union serving the residents of Clark County, Nevada. (wherein Las Vegas is located). Nevada Federal serves approximately 82,000 members and has total assets of about \$850 million. Several years ago, Nevada Federal was granted authority by the NCUA to serve 2 underserved areas. One area is located in downtown Reno/Sparks, Nevada; the other area is an isolated desert community approximately 60 miles west of Las Vegas known as Pahrump, Nevada.

In total, Nevada Federal presently has 3 branches in these designated areas, with 2 more branches currently under construction. The Credit Union also has 2 free-standing ATMs in these areas. Since we plan to relocate one of the existing branches to one of the new sites, when construction is completed Nevada Federal will have a total of 4 branches in these designated areas. Nevada Federal leases all of these branches; the Credit Union is legally committed to future lease payments totaling approximately \$1.1 million (excluding lease renewals). The Credit Union has also invested about \$300,000 in non-recoverable leasehold improvements (not including furniture and equipment). The Credit Union has also invested considerable marketing and training dollars in these areas.

Ms. Mary Rupp

Page 2

March 7, 2006

Nevada Federal currently serves about 7,500 members in these 2 areas, and we're working hard to serve considerably more in the future. When our new branches are completed, the Credit Union will employ approximately 20 individuals in these designated areas.

We appreciate NCUA granting Nevada Federal authority to serve these areas. Nevada Federal has made strong, good faith efforts and invested considerable sums of money in reaching out to consumers in need of Credit Union services. In fact, Nevada Federal is the only Credit Union in Pahrump, Nevada.

Nevada Federal offers a variety of services aimed at improving the lives of all consumers, including low income individuals. Our "Essential Checking Account" is designed to provide free, basic checking services to lower income households. Our "New Start Checking" is targeted at those who may have had previous difficulty in properly maintaining a checking account. "AdvancPay", a lower cost alternative to exorbitant payday lenders, is offered by Nevada Federal, along with a "Break the Cycle" loan, which allows AdvancPay users a means to escape the cycle of payday debt. Free financial counseling and education are offered by the Credit Union. A number of other services are also available.

Considerable harm would be done to both the communities in question and Nevada Federal Credit Union if the NCUA discontinued our authority to provide service in these areas. Please do everything possible to preserve our Credit Union's authority to serve these designated areas.

Sincerely,



Bradley W. Beal, President