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MAR16'06 AM11:53 BOARD

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, WV 22315

RE: COMMENT LETTER:
NCUA'S FIELD OF MEMBERSHIP PROPOSAL:
Underserved Area Expansions and Service Facilities

Dear Ms. Rupp:

This is in response to NCUA's proposed ruling to amend field of membership rules as they relate to underserved areas.

For the past three years, Star USA Federal Credit Union (Charter 911) in Charleston, WV has served four counties in West Virginia as underserved regions. All of these affected counties are within at least 30 miles of an existing office of Star USA. All of these affected counties have poverty levels of at least 18.5% of their total population.* All of these affected counties have household income levels below \$28,200.* The entire population of all four of these counties totals 196,264 which is spread out over 2,426 square miles.* If the proposed policy is approved by NCUA, these financially impoverished counties would once again be limited in their selection of financial options.

As West Virginia is a sparsely populated state that normally falls well below national averages with regard to household income and earnings potential, a credit union presence is necessary to offset the fee structure utilized by banks and predatory lenders. The Serving the Underserved Program was and is an ideal fit for those struggling to make ends meet in this state. However, the proposed plan undermines the ability of credit unions to effectively offer alternative financial solutions to current and potential members in underpopulated and underserved regions of the country. From this credit union's efforts to expand in southern West Virginia, the majority of those that have joined Star USA FCU are of low to moderate income and many, because of the nature of the coal industry in this state, are disabled. In addition to expanding in this area, the business community is comprised primarily of small companies whose financial options are limited. By excluding the credit union option to the organizations, you are allowing this group to become prey to predatory financial institutions.

Throughout the state of West Virginia there are just over 100 credit unions. By allowing multiple common bond credit unions to serve the underserved and then requiring a facility in each underserved area, NCUA is severely limiting the impact that credit unions can have on financially distressed regions.

Therefore, it is imperative that NCUA continues to allow all credit unions to serve those consumers that desperately need the credit union alternative. For years NCUA has recognized that credit unions need to expand and offer services to those consumers that need it the most. Now, the Agency is backpedaling to say that just a segment of the credit union movement should be able to serve those in need. With that type of logic, NCUA is hampering efforts to solidify the financial status of those in small, rural states who have few financial options.

I respectfully ask that NCUA re-consider the field of membership proposals and continue to allow all credit unions to serve those in underserved areas and to provide access to facilities that are within reasonable proximity of the regions being served.

Sincerely,



Daniel Smithson, Jr.
President

	MEDIAN INCOME HOUSEHOLD	% OF POP. IN POVERTY	POPULATION	SQUARE MILES
Putnam County	\$24,788	21.70%	47,579	664
Nicholas County	\$26,974	19.20%	26,562	649
Lincoln County	\$28,181	18.50%	79,220	607
Wayne County	\$27,352	19.60%	42,903	506