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Snyder, Diane L

From: Kristen Tatlock [ktatlock@vacul.org]
Sent: Thursday, March 16, 2006 3:19 PM
To: _Regulatory Comments
Cc: dick williams
Subject: Virginia Credit Union League Regulatory Response Committee Comments on Proposed Rule Part 701.1

March 16, 2006

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria VA 22314-3428

MAR 17 '06 AM 10:29

Dear Ms. Rupp

The Regulatory Response Committee of the Virginia Credit Union League appreciates the opportunity to provide comments on the National Credit Union Administration's proposed amendments to its rules regarding service to underserved areas.

We fully support the new provision that will require a credit union that is granted a field of membership expansion via an underserved area to establish a service facility in that area within two years. Such a requirement will ensure that the credit union will play an active role in the community and provide better services to the members of the area. We would request that NCUA clarify the definition of service facility to indicate that the list of entities that qualify as service facilities is not an exhaustive list.

This committee firmly believes that credit unions of ALL charter types, community and single common bond as well as multiple common bond, have the willingness, the desire, and most importantly, the ability to provide effective credit union services to persons in underserved areas. However, we also understand that Section 109(c)(2) of the Federal Credit Union Act appears to limit the ability to include underserved areas in fields of membership to credit unions with multiple common bonds. For this reason, we support NCUA's proposed language for the Chartering and Field of Membership Manual with respect to limiting field of membership expansions via underserved areas to those credit unions that are multiple common bond credit unions.

Nevertheless, we also believe that NCUA's pilot data collection program will provide quantitative evidence that credit unions serve *all* members, particularly those who may be located in an underserved area and/or considered members of modest means in relation to their authorized limited fields of membership. Once the data from this pilot program is compiled and confirmed showing that credit unions are indeed serving all of their members, we feel NCUA, at the appropriate time, should seek clarification on Congress' intentions to authorize *all* credit union charters to add underserved areas.

We thank you for the opportunity to share our views on this proposal. Please do not hesitate to contact Kristen Tatlock at our League office should you need further clarification on our opinions. Thank you.

Sincerely,

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Richard Williams, Chairman, Virginia Credit Union League Regulatory Response Committee
CEO, Member One FCU