

March 17, 2006

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

Re: Proposed Rule 701.1

Dear Ms. Rupp:

Navy Federal provides the following remarks in response to the National Credit Union Administration's (NCUA) request for comments on proposed amendments to its rules regarding service to underserved areas.

Allowing non-multiple common bond federal credit unions to adopt underserved areas is good for consumers and good for the nation. Prompted by initiatives like NCUA's *Access Across America*, credit unions are able to "adopt" underserved areas and provide essential financial services that improve the economic and social well-being of members of all backgrounds, including low- and moderate-income consumers. Limiting the abilities of credit unions to serve the underserved can only be viewed as public policy that, ultimately, harms all consumers.

While we applaud efforts to serve the underserved, we question whether the plain language of existing law permits non-multiple common bond credit unions to serve underserved areas. Clearly, the language and supporting documentation of the *Credit Union Membership Access Act* (Public Law 105-219) allows multiple common bond groups to add underserved areas. It does not, in our view, explicitly grant that power to other types of credit unions. We believe that NCUA has appropriately declared a moratorium on the granting of underserved areas to non-multiple common bond federal credit unions. We urge the agency to seek additional statutory authority to allow non-multiple common bond credit unions to add underserved areas to their fields of membership.

Navy Federal appreciates the opportunity to provide remarks in response to the NCUA's request for comments on proposed amendments to its rules regarding service to underserved areas.

Sincerely,



Cutler Dawson
President/CEO

CD/pm