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March 20, 2006

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

Re: Proposed Rule Part 701; IRPS 06-1  
Field of Membership

Dear Ms. Rupp:

The proposal to limit the addition of new underserved areas to only multiple common-bond credit unions is contradictory to NCUA's stated belief in the Federal Register (Vol. 71, No.18 January 27, 2006) "that the statutory language ...reflects Congress' intent to make clear that this new charter (multiple common-bond) was authorized to add underserved areas, not as the Bankers argue, to prohibit the other two federal charter types from doing so".

The Federal Register further states that the conclusion "is supported by the legislative history and fact that at the time Congress enacted CUMAA it was aware of NCUA's long-standing policy allowing all federal charters to serve communities and groups in need of additional financial services".

First Source Federal Credit Union is a multiple common-bond credit union and we are opposed to limiting the addition of underserved areas to any single charter type. As more credit unions consider conversion to a community charter, limiting expansion into underserved areas to only multiple common-bond credit unions has the potential of limiting access to credit union services to millions of American's.

Assuming that the proposal is adopted and only multiple common-bond credit unions are permitted to add underserved areas, they should be permitted to retain these underserved areas if they change to a community charter at a later date. Otherwise, service to members would suffer and the credit union would be faced with the potential of significant public relations (i.e.: reputation risk) and financial challenges.

Likewise, if current non-multiple common-bond credit unions serving underserved areas were subject to a rule change limiting their ability to add new members within those areas, service to those existing members would be negatively

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would be faced with reducing expenses associated with their service facility and may have to reduce services, limit hours of operation, and reduce staffing levels. Similar to banks desiring to exit a marketplace, the decision becomes an economic one rather than a decision relative to how members are served. Allowing these credit unions to continue adding new members in previously approved underserved areas is a prudent and reasonable approach.

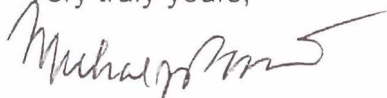
NCUA faces a dilemma in approving this proposal and must weigh the benefit of making credit union services available to more consumers versus the potential negative financial impact that might result for credit unions that invest resources in serving underserved areas should a bank trade association lawsuit be successful in challenging NCUA's ability to approve an underserved area expansion for a non-multiple common-bond credit union.

First Source agrees that a physical presence in an underserved area will assure better service to members in those areas and we concur with the proposed change requiring a physical presence in an underserved area when a credit union is seeking to add an underserved area. The two year time frame to add a service facility remains reasonable.

NCUA has made significant strides over the past several years by allowing all charter types to add underserved areas – limiting this practice is a significant step backwards. Ultimately, approving the proposed limitation plays into the bankers hands – the bankers win and consumers lose.

Thank you for this opportunity to comment on the proposed rule changes.

Very truly yours,



Michael J. Parsons  
President/CEO