

March 23, 2006

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

Re: *Comments on Organization and Operations of Federal Credit Unions, IRPS 06-01*

On behalf of the management of Corning Federal Credit Union we are writing to respectfully request your consideration on the impact of the proposed ruling and changes to section 701.1 of the Rules and Regulations and Chartering Manual. We are very concerned with the current moratorium and proposed restriction on the ability of single sponsored and community chartered federal credit unions to add new underserved areas to their fields of membership.

Of particular concern to our credit union is NCUA's current interpretation that a multiple group credit union upon conversion to a community charter must give up any underserved areas it may have in its field of membership that fall outside the boundaries of the new community. Such a rigid interpretation effectively removes a viable business option for many credit unions like ours.

Presently, we serve three underserved areas through three out-of-state branches. All of these underserved areas were approved by NCUA nearly a year ago. In the past, we were strongly encouraged by NCUA to pursue service to underserved areas and were also advised to consider a community charter as a means to diversify our membership and further expand our service to people of modest means. Unfortunately, as a result of the moratorium and the proposed changes to NCUA's field of membership policy, we are now facing the proposition of losing the ability to serve our underserved areas that we have heavily invested in should we decide to exercise a legitimate business option to convert to a community charter.

If NCUA requires multiple common-bond credit unions to divest of previously approved underserved areas in order to convert to a community charter, it will limit future growth options and require all credit unions in this situation to make difficult choices that may include the following:

1. Close branches in existing underserved areas and leave those communities with fewer low-cost options for financial service, as well as suffer the financial impacts of closing branches.

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2. Face limited SEG growth options in competitive markets which are often served by community credit unions and/or many banks.
3. Consider other charter types which they would never have considered in the past.

None of these options are desirable. *We feel strongly that credit unions with previously approved underserved areas in their field of membership should be grandfathered regardless of charter type.*

It is appropriate and necessary for NCUA and the credit union industry as a whole to seek statutory clarification which supports the original intent of the Credit Union Membership Access Act, and ensure all credit unions, regardless of charter type, may serve underserved areas in the future. We sincerely hope that NCUA will fight for and support the purpose upon which the credit union industry was founded – providing financial services to people of modest means. Unfortunately, the proposed ruling appears to be a step backward and will ultimately result in fewer low-cost financial service options for many American consumers.

We appreciate NCUA's time and consideration in this important matter and are convinced that our future as a credit union and that of many others depends largely on the position NCUA takes in this matter.

Sincerely,

Anne Crowley
Chief Executive Officer
Corning Federal Credit Union

Cc: Chairman Johnson
Vice Chairman Hood
Board Member Hyland