

**YOUNG, SHERON**

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**From:** \_Regulatory Comments  
**Sent:** Friday, March 10, 2006 8:21 AM  
**To:** YOUNG, SHERON  
**Subject:** FW: NPR Regarding Service to Underserved Areas (Sec 701.1)

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**From:** chris rutledge [mailto:chris.rutledge@gwfcu.org]  
**Sent:** Thursday, March 09, 2006 12:07 PM  
**To:** \_Regulatory Comments  
**Subject:** NPR Regarding Service to Underserved Areas

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

Dear Ms. Rupp,

I am writing in response to the Notice of Proposed Rulemaking regarding service to underserved areas. I have serious concerns regarding this proposed rule and the effect it will have both on the underserved communities of South Alabama and Gulf Winds Federal Credit Union. In 2003, Gulf Winds Federal Credit Union converted to a federal credit union from a state charter for the explicit purpose of expanding our field of membership to serve the entire community we operated in and to begin serving low-income underserved communities which lack credit union service in South Alabama. If this rule is enacted, our ability to serve these underserved areas is seriously in question.

As part of our conversion to a federal charter, we were granted approval to serve the underserved community of Escambia County, Alabama and in 2004 opened a temporary branch in one of the larger cities within this county at a cost of approximately \$250,000. Due to the excessive rates and fees traditionally charged to the citizens of this county by the local banks, this temporary branch in Atmore, Alabama quickly grew to approximately 9 million dollars in deposits and over 11 million dollars in loans. As a result, we recently contracted to construct a permanent facility at a cost of approximately 1.6 million dollars. In addition, we have contracted for a property search so that we might open another branch in the county and begin to serve other areas as well.

The citizens of Escambia County Alabama have shown through their actions the need for our services in this community. However, should this rule be enacted, we fear that we will be laid bare to attacks from the same banks that we have fought so hard over the past year and a half and could potentially be forced to stop adding new members. All credit unions should be permitted to serve underserved communities. NCUA's own Notice of Proposed Rulemaking states "NCUA believes that the statutory language also reflects Congress' intent to make clear that this new charter type was authorized to add underserved areas, not as the Bankers argue, to prohibit the other two federal charter types from doing so." If so, why is any new rule necessary?

On behalf of the citizens of Escambia County, Alabama and Gulf Winds Federal Credit Union, I ask the NCUA Board to reconsider the need for this new rule. If they do not, our credit union could be forced to serve a small number of members with a very limited staff from a facility designed to accommodate an entire community. This financial burden could weigh heavily on our credit union. However, the burden of so many citizens left un-served would be far greater.

*Chris Rutledge*  
*CEO/President*  
*Gulf Winds Federal Credit Union*

3/10/2006

850-479-9601

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