

Reg Alert Response

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Charter number of your credit union

04580

Name of your credit union

The Summit Federal Credit Union

Your name

Michael Vadala

1. Does your credit union currently have an underserved area within its field of membership? If yes, please state your charter type.

Yes

No

**City of Rochester, City of Geneva, City of Buffalo, Town of Henrietta and Town of Amherst.**

2. In your credit union's opinion, does limiting expansions into underserved areas to only multiple common-bond credit unions have a significant impact? Please explain your response.

Yes

No

**We are a multiple common bond credit union with over 500 member companies and 5 underserved charters. While this does not impact our credit union directly, it definitely impacts many other credit unions across the country. We operate in cities with 200,000 and 350,000 people respectively who desperately need the services of a credit union. Why prevent credit unions from reaching out to them and others who need our services most?**

3. Assuming that only multiple common-bond credit unions are permitted to add underserved areas, should they be permitted to retain these underserved areas if they change to single common-bond or community charter? Please explain.

Yes

No

**It is possible that due to pressures in the courts and the specific language in the**

**law, that NCUA is being forced to take too narrow a view on this important matter. CUMAA's language clearly extends to multiple common bond credit unions. This probably needs a legislative fix but we are disappointed that the clear intent of Congress to give underserved Americans access to all credit unions has been blocked by the banks.**

4. If your credit union is a non-multiple common-bond charter, have you made any investments in underserved areas, for example, capital investments, loans, share deposits, or other programs targeting low income persons? If so, please describe type and extent of such investments.

Yes

No

**This question doesn't apply as we are a multiple common bond credit union.**

5. In your credit union's opinion, what would be the impact to the existing non-multiple common-bond credit unions serving underserved areas if a rule change limited their ability to add new members within the areas they are currently serving? Please explain your response keeping in mind the potential impact on existing members in the underserved area.

Yes

No

**The final rule will do great harm to the reputation of CU's in general if they have to reverse course and pull out of serving underserved areas. The Public Relations efforts to inform members would be a nightmare. There would be a great deal of confusion among members. This would have a devastating effect on Marketing efforts. Branch facilities may have to close. Credit union staff layoffs might occur as a result and have a ripple impact on nearby businesses who rely on the patronage of those employees. We would also be seen as abandoning the areas that need credit unions the most which would further the downward spiral of those specific geographic regions.**

6. Does your credit union believe that the final rule should be applied retroactively? If no, why not?

Yes

No

**There clearly would not be enough time to make the necessary changes. It would be unfair to members, and the infrastructure changes alone would take months if not years to alter. The cost would be astronomical to meet these requirements. The affected credit unions have all made sizable investments and have done so in good faith to serve those who live in underserved areas. Once a credit union's charter has been granted, it is senseless to take it away.**

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