

**Jordan, Sheron**

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**From:** \_Regulatory Comments  
**Sent:** Thursday, July 12, 2007 8:21 AM  
**To:** Jordan, Sheron  
**Subject:** FW: NCUA's Chartering and Field of Membership proposal.

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**From:** mlliter@wellsfargo.com [mailto:mlliter@wellsfargo.com]  
**Sent:** Wednesday, July 11, 2007 5:29 PM  
**To:** \_Regulatory Comments  
**Cc:** DJustice@idahobankers.org  
**Subject:** NCUA's Chartering and Field of Membership proposal.

I strongly oppose the proposed modifications to NCUA's community chartering policy. My reasons for this objection are summarized below and echo the Idaho Banker's Association and other state and national banker associations who strongly oppose the proposed modifications to NCUA's community chartering policy.

**NCUA's proposal would significantly expand the definition of community** beyond any reasonable definition of "local" and circumvents Congressional intent as expressed in the Credit Union Membership Access Act. When Congress amended the Federal Credit Union Act in 1998, it intentionally inserted the term "local" as a means of limiting the geographic scope of community chartered credit unions. Congress clearly intended to impose finite and narrow limits on the area that a community credit union may serve.

**A statistical area is not local.** A CBSA describes the interaction of the outlying county or counties with the central (dominant) county or city. However, a CBSA does not measure the commonality and interaction among the outlying counties. It is unlikely that outlying counties on their own merits could meet the standard of interaction to warrant them being considered a local community. The Federal Credit Union Act does not allow the NCUA to string together a chain of unrelated counties to maximize the geographic reach of a community charter. Second, the NCUA Board recognizes that an important characteristic of a local community charter is that there must be some geographic certainty to the community boundaries. But a CBSA's boundaries are subject to periodic review and change over time.

**A rural district is at odds with Congressional mandate and intent.** In 1998, Congress found that "a meaningful affinity and bond among members, manifested by a commonality of routine interaction, shared and related work experiences, interests, or activities, or the maintenance of an otherwise well-understood sense of cohesion or identity is essential to the fulfillment of the public mission of credit unions." But the proposed rural district could encompass a vast geographic area where there is little commonality of interest or interaction. In its own proposal, the NCUA Board acknowledges that "it is proposing a definition that reflects an area that may lack the traditional characteristics of interaction or shared common interests." The lack of meaningful affinity is clearly at odds with statute and would make it more difficult for credit unions to fulfill their public mission.

Mark W. Lliteras  
Exec. Vice Pres.  
Southern Idaho Commercial Banking  
877 W. Main St. MAC U1858-032  
Boise, ID 83702  
Tel: 208 393 2109  
Fax: 208 393 2472