



N C B A N K E R S

NORTH CAROLINA BANKERS ASSOCIATION

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July 11, 2007

DELIVERED VIA E-MAIL

Ms. Mary F. Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428
regcomments@ncua.gov

Re: Proposed Rule: Chartering and Field of Membership for Federal Credit Unions;
72 Fed. Reg. 30988 (June 5, 2007)

Dear Ms. Rupp:

The North Carolina Bankers Association would like to take this opportunity to respond to a recent proposed rulemaking from the NCUA Board which would amend NCUA's chartering and field of membership manual. Although the changes are benignly described in the rulemaking announcement, the changes constitute an attempt to vastly expand what constitutes a permissible "community" charter. Under the guise of providing "objective measurable standards" and "a new statistical definition for a well-defined local community," NCUA is authorizing a land grab on a massive scale. NCUA's old definition of community was absurd, saying that any county, city, or smaller population jurisdiction, *regardless of population*, was by definition a local community. Los Angeles County with its nearly 10 million people fits that old definition. The new approach that incorporates the concept of Core Based Statistical Areas adds to the absurdity. Forget limiting membership to say a county, now clusters of counties or whole regions of a state are "well-defined local communities." It is absolutely amazing that NCUA would suggest that the common bond requirement is met by the proposed definition – and with it part of the stated justification for the credit union industry's continued tax exemption.

Put simply, NCUA should immediately withdraw this proposed rulemaking and instead focus on developing rules that at least have a veneer of defensibility.

Sincerely,

Thad Woodard
President & CEO