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OSU Federal
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June 18, 2007

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

Ms Rupp,

I am writing to provide commentary on the National Credit Union Administration's (NCUA's) proposed Chartering Manual changes. While we understand that NCUA has a desire to improve or clarify the definition of local community, we have strong concerns about the proposed language.


As a credit union operating in the State of Oregon, we are concerned, and NCUA must acknowledge, that the proposed language imposes additional restrictions not existent in the Oregon State Charter. Federally chartered credit unions and the Federal Charter are now and would be further put at a competitive disadvantage.

We do not support the 30-day public comment period. If a proposed community does not meet the "standardized" definition of a community, we agree that it is appropriate for that credit union to be required to provide documentation supporting the existence of a community and its interaction. NCUA states that the Board is mindful of "...its important responsibility to ensure that it charters safe and sound credit unions that can provide a broad range of financial services to as many people in the community as possible." As the regulator for credit unions, NCUA should be able to make a safety and soundness decision based on information provided by the credit union applicant. We liken this public comment period to publishing a member's loan application in the local paper if it would require an exception approval and asking the entire community to comment on the approval regardless of membership status.

Finally, proposed language regarding merger restrictions seems completely unwarranted. The impact of this language directly conflicts with the commentary's previous statement regarding the Board's responsibility to "...ensure that it charters safe and sound credit unions that can provide a broad range of financial services to as many people in the community as possible." Credit unions merge for many reasons. Mergers have resulted in combined fields of membership that strengthen the credit union and its members and provide valuable service to consumers not yet members. Requiring that any portion of an existing field of membership be discontinued will only result in weakening the industry's ability to serve consumers, eliminating consumer choice and reducing the balance of the credit structure in our country.

We strongly encourage NCUA to reconsider this proposal. NCUA should be looking to enhance the credit union charter resulting in increased consumer access to credit unions. The Board has the responsibility to ensure that federally chartered credit unions can compete in a dynamic marketplace. An overly restrictive position issued under the guise of safety and soundness will ultimately harm the federal charter and all credit unions.

Thank you for your time and consideration.

Sincerely,

Marilyn Roy
Executive Vice President
Chief Operating Officer

cc: Rick Hein, CEO, OSU Federal Credit Union
Gene Poitras, President, CUAO
Dan Mica, President, CUNA and Affiliates