



Where *You* Come First

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107

July 31, 2007

Ms. Mary F. Rupp
Secretary of the Board, NCUA
1775 Duke Street
Alexandria, VA 22314-3428

Via Facsimile Transmission

RE: Proposed Rule IRPS 07-1

Dear Ms. Rupp:

On behalf of the Board of Directors and Management of T&C Federal Credit Union, please consider the following relative to the proposed changes regarding Rule 12 CFR Part 701 – Chartering and Field of Membership for Federal Credit Unions.

T&C Federal Credit Unions has been a community-chartered credit union since 2002 and serves over 64,000 members. We firmly believe that credit union membership should be afforded to as many individuals as possible and that our laws and regulations should support that goal. As an industry, we should find ways to encourage credit unions, especially smaller ones, to increase membership. Lack luster membership growth in credit unions as a whole over the past few years should be a wake-up call that we need to encourage new membership through a decrease in the regulatory burden.

Specifically in regard to Section 7 of the proposed rule, which addresses the limitations of community charter mergers, you state “NCUA is unaware of any particular problems in this merger context.” This is a significant issue when a community-chartered credit union considers a merger with a single sponsor, multiple common bond credit union or another community credit union without the same exact defined community. Most importantly, if a single sponsor or multiple common bond credit union merges into a community credit union, there are situations whereby some SEGs may be outside of the defined community and therefore could not be served by the surviving combined credit union. This result is a disservice to these potential members. Also, it makes the process more difficult and puts a community-chartered credit union at a competitive disadvantage to discuss a merger opportunity with another credit union. Many times, these mergers are in the best interest of all members.

The NCUA, in an emergency situation, will allow a community credit union to add the field of membership of another credit union, with the thought that it is in the best interest of members of both credit unions. Why would that not also hold true in a voluntary merger situation? At a minimum, it assists in the safety and soundness of both credit unions. Whereas an emergency

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Ms. Mary F. Rupp
Secretary of the Board, NCUA
July 31, 2007

Page Two

108


merger could be perceived negatively by the members and the community and could result in a decline in membership.

We believe that community chartered credit unions are at a significant disadvantage when a voluntary merger situation may be in the overall best interest of two credit unions. By making the process less restrictive and allowing combined fields of membership with mergers involving community-chartered credit unions, the credit union industry, as a whole will become stronger. We believe that voluntary mergers between any combination of either community, single sponsor or multiple common bond credit unions should encompass the combined fields of membership.

We would ask that the NCUA Board carefully consider our concerns along with those of others regarding this important regulatory matter and amend the regulation to allow voluntary mergers between any combination of either community, single sponsor or multiple common bond credit unions so that the surviving entity is able to embrace all members of both entities.

Very truly yours,

T&C Federal Credit Union



Dianne Addington
President/CEO