



IDAHO CREDIT UNION LEAGUE
AND AFFILIATES

August 7, 2007

VIA E-MAIL to regcomments@ncua.gov

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

Re: Proposed Rule IRPS 07-1 (Chartering and Field of Membership for Federal Credit Unions)

Dear Ms. Rupp,

Thank you for the opportunity to comment on the Agency's proposed changes to its chartering and field of membership policy. The Idaho Credit Union League is a trade association representing Idaho's 61 credit unions, including 20 federal credit unions, 22 federally insured state-chartered credit unions, 18 privately insured state-chartered credit unions, and one non-insured credit union.

The Idaho Credit Union League supports changes to the policy and has comments upon specific areas as follows:

- We support the proposed establishment of a new statistical definition for a well-defined local community based upon Core Based Statistical Area. We suggest, however, that, while there are resources available on the Internet, these are confusing and very time consuming to locate and decipher. NCUA should provide sufficient assistance on its own website, as well as links to those resources, to facilitate evaluation by federal credit unions considering a change in their field of membership.
- We agree that it may be appropriate in some situations to require notice to the public, but we do not agree that publication in the Federal Register is the best way to accomplish this. Rather, it is most appropriate to require publication in a local newspaper in the same way as other legal notices are required to be published.
- We do not support the five-year limitation on a community charter applicant's use of the exemption from submitting a narrative summary where the same exact geographic area has previously been approved for a community charter by NCUA. While population growth can, from time to time, be dramatic in a given area, a five year period is too little time to assess whether or not that growth has caused a substantive change in the interaction of the community. If the agency is determined to impose a limitation on the exemption, which we do not support, we urge that, at the least, the exemption should remain valid for ten years or until after the next decennial census following a five-year period.

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- We agree that NCUA needs to change the definition of what comprises a rural area and agree that the definition should be one describing an area that has both a small total population and a relatively light population density. We urge, however, that the proposed definition does not take into account that certain rural counties may be for the most part rural while at the same time included as part of a MSA. For instance, Boise County, Idaho is part of the Boise City-Nampa, Idaho MSA, yet most of Boise County is remote from Boise or Nampa. This county meets the definition of rural by having a small population and light density (approximately 7,000 people spread over 1,908 square miles). Within Boise County are three small communities that need financial services. Each of these communities would fit well in the definition of well-defined local community because each is outside of an MSA; however, some of the unincorporated areas of Boise County are within the MSA and would not, therefore, be eligible for treatment as a “rural district.” Consequently, these areas would likely not be included in a field of membership application of a credit union seeking to serve one of the small communities in this county. The definition should take into account that geographic considerations may sometimes dictate that part of a rural district may be contained in an MSA or a MicroSA. This should not be a defeating factor. This issue could be cured by specifying that it is only where the entire rural district is contained in an MSA or MicroSA that the presumption does not apply.

- We believe the Economic Research Service of the USDA does the best job of defining rurality. We urge that NCUA use a combination of the ERS/USDA 2004 County Typology codes and the ERS/USDA 2003 Urban Influence Codes as the foundation for its determination of the rural nature of a local community. These codes have recently been updated and take more into consideration than the definitions of the Census Bureau or OMB.

Thank you in advance for your consideration of these comments.

Sincerely,

Alan D. Cameron
President/CEO