

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

RE: Chartering and Field of Membership for Federal Credit Unions

Dear Ms. Rupp:

The Virginia Bankers Association (the “VBA”) writes to comment on the National Credit Union Administration’s (“NCUA”) proposed rule to treat “statistical areas” and “rural communities” as presumptive local communities for purposes of the community common bond requirements for federal credit unions. The VBA represents the interests of nearly all of the commercial banks and savings institutions doing business in the Commonwealth of Virginia.

The NCUA’s proposal circumvents Congressional intent as expressed in the change made by the Credit Union Membership Access Act of 1998 (the “Act”) to the community common bond requirements. Under the Act, any community common bond must now be based on a “local” community. Congress clearly wanted to impose narrow limits on the area that a community credit union could serve by adding this “local” requirement.

A statistical area does not satisfy the “local” requirement. Indeed, such an area often includes multiple counties which together do not constitute a local community. There is simply not the level of interaction and common interests among those within different counties in a statistical area to treat such area as presumptively one local community.

Moreover, a “rural community” is often not a local community for the same reasons. In particular, a rural district may cover a vast geographic area and multiple political subdivisions. People living in different parts of such a large area simply do not have the kind of interaction and commonality of interests that demonstrate a local community common bond. Here again the presumption the NCUA proposes is at odds with Congressional intent.

Accordingly, the VBA urges the NCUA to withdraw its proposal.

Sincerely,

Bruce T. Whitehurst  
President & CEO