

Illinois Credit Union League

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VIA E-MAIL TRANSMISSION
regcomments@ncua.gov

August 6, 2007

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

Re: Comments on Proposed Rule IRPS 07-1, Chartering and Field of Membership

Dear Ms. Rupp:

The Illinois Credit Union League represents over 100 federal credit unions (“FCUs”) in Illinois. We are pleased to respond on behalf of our member credit unions to the proposed amendments to NCUA’s Interpretive Ruling and Policy Statement regarding chartering and field of membership.

Regarding the determination of what constitutes a well-defined local community in the case of multi-jurisdictional areas, we agree that there is uncertainty among FCU applicants for a community charter concerning how to best demonstrate that the geographical area meets NCUA’s standards for community interaction and/or shared common interests.

NCUA proposes to reduce the burden on FCUs applying for a community field of membership by applying the statistical classification employed by the Office of Management and Budget (“OMB”) which classifies a statistical area consisting of one or more counties with at least one urbanized core population of 10,000 or more as a metropolitan statistical area (“MSA”) or a micropolitan statistical area (“MicroSA”).

NCUA’s proposal would define an MSA or a MicroSA as a “well-defined local community” if the MSA or MicroSA contains a dominant core area (a city, county, or equivalent with a majority of all jobs and at least one third of the total population of the MSA or MicroSA).

We share NCUA's belief that the application of strictly statistical rules for defining an MSA or MicroSA with a dominant core area as a "well-defined local community" will minimize ambiguity and make the application process less time consuming.

We believe, however, that NCUA should consider revisions to its proposal regarding fields of membership containing portions of MSAs, and the exclusion of MSAs containing Metropolitan Districts from the definition of a "well-defined local community."

Portions of MSAs

NCUA should provide clarification that a portion of an MSA can also be defined as a "well-defined local community" if the portion of the MSA meets the dominant core area criteria. (E.g., in an MSA consisting of six counties--a field of membership consisting of three contiguous counties within the MSA will be classified as a "well-defined local community" if one of the three counties contains a majority of all jobs and at least one third of the total population of the three counties comprising the field of membership.)

Metropolitan Districts

NCUA proposes to exclude MSAs with "Metropolitan Divisions" from the definition of a "well-defined local community." The largest MSAs are divided into "Metropolitan Divisions." In the Supplementary Information accompanying the proposed amendments, NCUA states that a Metropolitan Division consists of a county or group of counties within a Core Based Statistical Area containing a core with a population of at least 2.5 million. OMB recognizes that Metropolitan Divisions often function as distinct, social, economic, and cultural areas within a larger MSA.

The Chicago MSA consists of nine counties in Illinois, four counties in Indiana and one county in Wisconsin. The Chicago MSA is divided into three Metropolitan Divisions. It appears that OMB determined the boundaries of the three Metropolitan Divisions based on social, economic and cultural differences between the Metropolitan Divisions.

We believe a persuasive case can be made that a Metropolitan Division may exhibit a level of community interaction and shared common interests equal to MSAs without Metropolitan Divisions. (A single Metropolitan Division is often substantially smaller in population and area than MSAs without Metropolitan Divisions.)

We believe NCUA should consider each Metropolitan Division as the equivalent of a separate MSA and should consider a geographic area consisting of all or part of a Metropolitan Division as a "well-defined local community" if the geographic area includes a city or county that meets the dominant core area criteria. (E.g., the Gary, Indiana Metropolitan Division of the Chicago MSA consists of four counties. A field of membership consisting of all or a portion of those four counties should meet the

Ms. Mary Rupp
Comments on Proposed Rule IRPS 07-1
August 6, 2007
Page 3

definition of a “well-defined local community” if one of the cities or counties in the field of membership meets the dominant core area criteria.)

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We appreciate the opportunity to respond to NCUA’s request for comment on the proposed amendments to NCUA’s Interpretive Ruling and Policy Statement regarding chartering and field of membership. We will be happy to respond to any questions regarding these comments.

Very truly yours,

ILLINOIS CREDIT UNION LEAGUE

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