



NORTH DAKOTA
BANKERS
ASSOCIATION

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AUG07'07 AM 6:50 BOARD

August 1, 2007

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; 12 CFR Part 701;
72 Federal Register 30988, June 5, 2007

Dear Ms. Rupp:

The North Dakota Bankers Association (“NDBA”) appreciates this opportunity to comment upon the proposed rule to expand the Chartering and Field of Membership Manual for federal credit unions. NDBA is a trade association of banks and thrift associations. Our members operate more than 300 offices throughout North Dakota and serve communities and populations in the most rural areas of one of the most rural states. **NDBA profoundly opposes the proposal to effectively define local well defined communities to include Statistical Areas and Rural Districts.** This change appears to have no other purpose than to expand federal credit union fields of membership well beyond the limits that have been established by Congress. **NDBA contends that the proposal to define any single political jurisdiction as a well defined community should also be withdrawn**

All federal credit union fields of membership are governed by the Credit Union Membership Access Act (“CUMAA”). CUMAA imposes *limitations* on field of membership for federal credit unions by restricting community credit unions to well defined local communities and by going beyond that to require “a meaningful affinity and bond among members in the context of shared and related work experience, interests, or activities, the commonality of routine interactions, and a well-understood sense of cohesion or identity.” The CBSA concept which now is proposed to be the foundation for that of “Statistical Areas” was developed for purposes that are entirely unconnected with the concepts of locality and interaction which govern the permissible field of membership for federal credit unions. **It is misuse to substitute a CBSA based “Statistical Area” for a determination of whether the field of membership for a federal credit union is limited to a well defined local community whose members will share a “meaningful affinity” and level of interaction and common interest. The Board’s continued effort to evade the explicit requirements of the governing law should cease and the**

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proposal to expand field of membership rules to include “Statistical Areas” should be withdrawn.

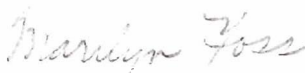
NDBA is equally dismayed by the proposal for “Rural Districts” and also respectfully urges the Board to withdraw it. It is absolutely clear that the adoption of the proposed rule will lead to applications for federal community credit unions to serve vast areas of low population, including entire states. This is completely contrary to the field of membership limitations and directive of Congress in CUMAA as previously discussed. The role of the Board is to implement federal laws as they are written, not to twist their meaning until there is no meaning left

NDBA does support expanded notice of community charter applications, but suggests that the notice requirement be enlarged in order to reach more people who would be interested in such an application. Federal Register notice is an improvement over the current situation. However, ordinary citizens living in the real world do not read the Federal Register . They do, however, read local newspapers. The Board is way more likely to learn the views of the local citizenry by requiring local publication of field of membership applications by community credit unions.

Please advise us if there are any questions regarding this letter. Thank you.

Sincerely Yours,
NORTH DAKOTA BANKERS ASSOCIATION


Rick Clayburgh
President


Marilyn Foss
General Counsel