



August 18, 2008

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

Re: Proposed Amendments to Chartering and Field of Membership Manual (IRPS 08-2).

Thank you for the opportunity to comment on the proposals which would modify the Chartering and Field of Membership Manual to update and clarify the process of approving credit union service to “underserved areas.”

The Credit Union Association of Oregon (CUAO) is a nonprofit, professional trade association representing Oregon's state, community, and federally chartered credit unions. Since 1936, CUAO has been at the forefront of credit union issues at the state, regional, and national level, and provides a voice for Oregon's 4 million credit union members on issues impacting credit unions at a local level.

The Board is requesting comments on four areas. The first proposal clarifies the procedure for establishing that an “underserved area” qualifies as a local community. The second addresses the application of the economic distress criteria that determine whether an area combining multiple geographic units is sufficiently “distressed” to qualify as “underserved.” The third would update the documentation and clarify the scope requirements for demonstrating that a proposed area has “significant unmet needs” for loans and applicable financial services. The final proposal recognizes that meaningful data from NCUA and the federal banking agencies will be available to assess whether an area is “underserved by other depository institutions.

As proposed, these four changes to the process for serving underserved areas will not assist credit unions in their mission to reach out to the underserved. In fact having the opposite effect, as credit unions will deem the process too confusing, multilayered and requiring a level of expertise not readily available to most credit unions. It will be a roadblock of

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unnecessary regulatory burdens in the way of providing a choice for affordable financial services to those whose needs are unmet.

This will mark the fifth time in ten years that the NCUA has revised the FOM provisions on underserved areas causing one to ask why this needs to be revisited once again.

NCUA should be looking for ways to streamline and promote the serving of unmet needs in our credit union communities, not creating undue regulatory burdens.

Thank you again for affording us the opportunity to comment on this important proposal.

If you need any further information please contact me at the CUAO office, 503-641-8420.

Respectfully,

A handwritten signature in black ink, appearing to read "Janet M. Josselyn". The signature is fluid and cursive, with a long horizontal flourish at the end.

Janet M. Josselyn  
Director of Compliance Services  
Credit Union Association of Oregon