

NCUA LETTER TO FEDERAL CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314**

DATE: March 2011 **LETTER NO.:** 11-FCU-03
TO: All Federal Credit Unions
SUBJ: Community Charter Conversions and Expansions
ENCL: Template Business and Marketing Plan for Community
Charter Conversions and Expansions

Dear Board of Directors:

On June 17, 2010, the National Credit Union Administration Board adopted Interpretative Ruling and Policy Statement 10-1 (IRPS 10-1) to amend the agency's chartering policies. IRPS 10-1 became effective on July 26, 2010. Among other changes, IRPS 10-1 clarifies the requirements credit union officials must follow to either convert to a community charter or expand the boundaries of an existing community charter. Most notably, IRPS 10-1:

- Makes the process for identifying areas qualifying as local communities objective;
- Defines the term rural district; and
- Clarifies the agency's expectations regarding the business and marketing plan credit union officials must develop to support serving a community.

To help minimize the burden associated with applying to serve a community¹, we are providing a template business and marketing plan for your use. When submitting an application to serve a local community or rural district through either a conversion or an expansion, we encourage you to use the attached template as a basis for developing your business and marketing plans.

IRPS 10-1 in its entirety is available at the following link on our Internet site:
<http://www.ncua.gov/Legal/Documents/IRPS/IRPS2010-1.pdf>

¹ Including requests to serve a rural district.

If you have any questions regarding the requirements for serving a local community, please contact your Regional Office or our Office of Consumer Protection's Division of Consumer Access.

Sincerely,

/s/

Debbie Matz
Chairman