



WASHINGTON, D.C.

99 M Street SE
Suite 300
Washington, D.C. 20003-3799

Phone: 202-638-5777

Fax: 202-638-7734

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street, Alexandria, Virginia 22314

December 9, 2019

Re: Comments on Chartering and Field of Membership Proposed Rule

Dear Mr. Poliquin:

The Credit Union National Association (CUNA) appreciates the opportunity to submit comments to the National Credit Union Administration (NCUA) on the 2019 proposed Chartering and Field of Membership Rule. CUNA is a national trade association representing America's credit unions and their 115 million members.

CUNA and its member credit unions greatly appreciate the determination of NCUA's leadership and staff in pursuing updates to modernize the agency's field of membership (FOM) rules. Therefore, we fully support the proposed rule as it reinstates provisions of NCUA's 2016 FOM rulemaking that were vacated by the U.S. District Court for the District of Columbia in 2018 and removed as part of NCUA's 2018 FOM rule.

As you know, CUNA along with the National Association of Federal Credit Unions and CUNA Mutual, have jointly filed amicus briefs at the district and appellate courts supporting NCUA's 2016 FOM rule. The unanimous decision by a 3-judge panel of United States Court of Appeals for the District of Columbia reversed the D.C. District Court's 2018 decision that partly vacated the 2016 FOM rule. We note that the appellate court decision was not a complete victory for NCUA, because it requires additional rulemaking to address concerns the court had with provisions that a credit union not be required to serve a core area, which is fully addressed in this proposed rule.

Of course, as we write this letter, we are awaiting notification from the D.C. Circuit Court of Appeals on whether it will accept the American Bankers Association (ABA) motion for an *en banc* rehearing. It's unfortunate for Americans lacking access to financial services that the ABA and their partners continue to pursue strategies to limit access to credit unions. We fully expect the ABA and the Independent Community Bankers of America (ICBA) to continue pursuing litigation strategies aimed at limiting credit unions' ability to serve their communities. Litigation and other strategies, such as the continued attack on credit unions' tax status, are nothing more than an attempt to distract from the culprit responsible for the contraction of the community bank sector – the large banks. As underscored by the Federal

Reserve Bank of St. Louis this year, for community bankers inspired by a locally-driven mission, credit unions become ideal partners not only because they are strong buyers, but because they are the best institution to carry on that mission to serve.¹

CUNA fully supports the NCUA's proposal to re-adopt the Combined Statistical Area (CBSA) presumptive well-defined local community option that it originally adopted in the 2016 Final Rule. CUNA also agrees that NCUA's further explanation and support for its elimination of the core area service requirement for CBSAs in the 2016 Final Rule meets the requirements set forth in the D.C. Circuit Court of Appeals' decision.

Should you have any questions about CUNA's comments, please feel free to contact me at 202.508.6705.

Sincerely,

A handwritten signature in black ink that reads "Lance Noggle". The signature is written in a cursive, flowing style.

Lance Noggle
Senior Director of Advocacy and Counsel Senior Counsel for Payments and Cybersecurity

¹Meyer, Andrew P. St. Louis Federal Reserve. "Why Are More Credit Unions Buying Community Banks?" Regional Economist. April 2019. <https://www.stlouisfed.org/publications/regional-economist/first-quarter-2019/credit-unions-buying-community-banks>.