



BOARD ACTION MEMORANDUM

TO: NCUA Board *Gail W. Laster* **DATE:** November 4, 2015
FROM: Director Gail W. Laster
Office of Consumer Protection **SUBJ:** Proposed Rule – Appendix B, of
Part 701, Chartering and Field of
Membership Manual

ACTION REQUESTED: NCUA Board approval of proposed revisions to Appendix B of 12 CFR Part 701, Chartering and Field of Membership Manual.

BUDGET IMPACT, IF ANY: None.

DATE ACTION REQUESTED: November 19, 2015.

OTHER OFFICES CONSULTED: Office of General Counsel.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

RESPONSIBLE STAFF MEMBERS: Matthew Biliouris, Deputy Director, Robert Leonard, Director, Division of Consumer Access, and Rita Woods, Director, Division of Consumer Access South, Office of Consumer Protection; Senior Staff Attorney Steven Widerman, and Staff Attorney Marvin Shaw, Office of General Counsel.

SUMMARY: In December 2014, NCUA Chairman Debbie Matz formed a Field of Membership Working Group to gather input from stakeholders across the country and recommend strategies to provide regulatory relief and streamline processes for federal credit unions seeking to expand their charters within statutory limits. After evaluating internal operations, listening to stakeholders' concerns, and assessing historical trends, the FOM Working Group has developed the attached proposed rule to comprehensively amend NCUA's chartering and field of membership policies and procedures.

The proposed amendments will implement changes in policy affecting: the definition of a local community, a rural district, and an underserved area; the expansion of options multiple common bond credit union charters have to add potential members; the modernization of the regulatory definition of reasonable proximity to a credit union's service facility; the expansion of single common bond credit unions based on a trade, industry or profession; and the process for applying to expand membership in a federal credit union.

The rule also implements technical changes to reflect the Office of Consumer Protection's chartering and field of membership responsibilities and more comprehensively addresses the due process associated with the agency's decisions on charter amendment requests. This updated framework will make NCUA's rules more efficient and maximize access to federal credit union services to the extent permitted under the Federal Credit Union Act.

RECOMMENDED ACTION: NCUA Board approval of proposed changes to Appendix B, Chartering and Field of Membership Manual to Part 701 with a 60-day comment period.

ATTACHMENT: Proposed rule.